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FIRST REPRINT

A.B. 33

ASSEMBLY BILL NO. 33—COMMITTEE  
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE STATE TREASURER)

PREFILED NOVEMBER 16, 2022

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing public investments.  
(BDR 31-357)

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 governmental financial administration; revising provisions governing the investment of money in the State Permanent School Fund; revising provisions governing the investment of money by certain governmental entities; revising provisions governing money transferred from the State Permanent School Fund to a corporation for public benefit to provide private equity funding to certain businesses; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law provides that the State Treasurer: (1) shall have charge of all  
2 investments of money and the sale of all securities of the State Permanent School  
3 Fund; and (2) if there is a sufficient amount of uninvested money in the Fund, shall  
4 negotiate for the investment of the money in certain investments. (NRS 355.050,  
5 355.060) **Section 1** of this bill expands the list of authorized investments for money  
6 in the State Permanent School Fund to include: (1) certain commercial paper issued  
7 by certain corporations, trusts and limited-liability companies organized and  
8 operating in the United States and depository institutions licensed by the United  
9 States; and (2) certain notes, bonds and other unconditional obligations issued by  
10 certain corporations organized and operating in the United States or depository  
11 institutions licensed by the United States.

12 Under existing law, the State Treasurer is prohibited from making certain  
13 investments of money in the State Permanent School Fund unless the State  
14 Treasurer obtains a judicial determination that such an investment does not violate  
15 the prohibition in the Nevada Constitution against the State of Nevada donating or  
16 loaning state money or credit, or subscribing to or being interested in the stock of



17 any company, association or corporation, except a corporation that is formed for  
18 educational or charitable purposes. (Nev. Const. Art. 8, § 9; NRS 355.060) **Section**  
19 **1** prohibits the State Treasurer from investing in such commercial paper and notes,  
20 bonds and other unconditional obligations issued by certain corporations, trusts,  
21 limited-liability companies and depository institutions without obtaining a judicial  
22 determination that such an investment does not violate the prohibition in the  
23 Nevada Constitution.

24 Upon obtaining a judicial determination that an investment does not violate the  
25 Nevada Constitution, existing law authorizes the State Treasurer to transfer up to  
26 \$75,000,000 from the State Permanent School Fund to a corporation for public  
27 benefit and requires the corporation by agreement to provide private equity funding  
28 to businesses engaged in certain industries, at least 70 percent of which funding  
29 must be provided to businesses located or seeking to locate in Nevada. (NRS  
30 355.280) **Section 4** of this bill: (1) decreases the amount of private equity funding  
31 such a corporation for public benefit must agree to provide to certain businesses  
32 located in this State or seeking to locate in this State from at least 70 percent to  
33 more than 50 percent; and (2) provides that the corporation for public benefit may  
34 provide private equity funding to a pooled fund that includes businesses located  
35 outside of this State provided that more than 50 percent of the funding is provided  
36 to certain businesses located in this State or seeking to locate in this State.

37 Existing law authorizes the State Treasurer to invest money from the General  
38 Portfolio of the State in certain categories of bonds and other securities. (NRS  
39 355.140) **Section 2** of this bill: (1) increases from 20 to 25 percent the maximum  
40 share of the aggregate value of the General Portfolio that is authorized to be  
41 invested in bankers' acceptances of the kind and maturities made eligible by law for  
42 rediscount with Federal Reserve banks or trust companies which are members of  
43 the Federal Reserve System; and (2) authorizes investment in commercial paper  
44 issued by certain trusts or limited-liability companies, in addition to the existing  
45 authority to invest in commercial paper issued by certain corporations.

46 Existing law prescribes the bonds and other securities that are proper and  
47 lawful investments for a local government and certain administrative entities. (NRS  
48 355.170) **Section 3** of this bill revises these authorized investments to require that  
49 investments in negotiable certificates of deposit: (1) must have a remaining term to  
50 maturity of 5 years or less at the time of purchase; and (2) must, under certain  
51 circumstances, be rated by a nationally recognized rating service as "A-1," "P-1" or  
52 its equivalent, or better. **Section 3** also provides that not more than 5 percent of the  
53 total par value of the portfolio may be invested in notes, bonds and other  
54 unconditional obligations issued by any one commercial bank, insured credit union,  
55 savings and loan association or savings bank.

56 **Section 3** further increases from 20 to 25 percent the maximum share of the  
57 money available to a local government for investment that is authorized to be  
58 invested in bankers' acceptances of the kind and maturities made eligible by law for  
59 rediscount with Federal Reserve banks or trust companies which are members of  
60 the Federal Reserve System. Lastly, **section 3** removes the requirement that to  
61 invest in obligations of state and local governments, the interest on the obligation  
62 must be exempt from gross income for federal income tax purposes.

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

1       **Section 1.** NRS 355.060 is hereby amended to read as follows:

2       355.060 1. The State Controller shall notify the State  
3 Treasurer monthly of the amount of uninvested money in the State  
4 Permanent School Fund.

5       2. Whenever there is a sufficient amount of money for  
6 investment in the State Permanent School Fund, the State Treasurer  
7 shall proceed to negotiate for the investment of the money in:

8       (a) United States bonds.

9       (b) A bond, note or other obligation issued or unconditionally  
10 guaranteed by the International Bank for Reconstruction and  
11 Development, the International Finance Corporation or the Inter-  
12 American Development Bank that:

13       (1) Is denominated in United States dollars;

14       (2) Is a senior unsecured unsubordinated obligation;

15       (3) At the time of purchase has a remaining term to maturity  
16 of 5 years or less; and

17       (4) Is rated by a nationally recognized rating service as "AA"  
18 or its equivalent, or better,

19       ↳ except that investments pursuant to this paragraph may not, in  
20 aggregate value, exceed 15 percent of the total par value of the  
21 portfolio as determined at the time of purchase.

22       (c) A bond, note or other obligation publicly issued in the  
23 United States by a foreign financial institution, corporation or  
24 government that:

25       (1) Is denominated in United States dollars;

26       (2) Is a senior unsecured unsubordinated obligation;

27       (3) Is registered with the Securities and Exchange  
28 Commission in accordance with the provisions of the Securities Act  
29 of 1933, 15 U.S.C. §§ 77a et seq., as amended;

30       (4) Is purchased from a registered broker-dealer;

31       (5) At the time of purchase has a remaining term to maturity  
32 of 5 years or less; and

33       (6) Is rated by a nationally recognized rating service as "A"  
34 or its equivalent, or better,

35       ↳ except that investments pursuant to this paragraph may not, in  
36 aggregate value, exceed 10 percent of the total par value of the  
37 portfolio as determined at the time of purchase.

38       (d) Obligations or certificates of the Federal National Mortgage  
39 Association, the Federal Home Loan Banks, the Federal Home Loan  
40 Mortgage Corporation, the Federal Farm Credit Banks Funding  
41 Corporation or the Student Loan Marketing Association, whether or  
42 not guaranteed by the United States.



- 1 (e) Bonds of this state or of other states.  
2 (f) Bonds of any county of the State of Nevada.  
3 (g) United States treasury notes.  
4 (h) Farm mortgage loans fully insured and guaranteed by the  
5 Farm Service Agency of the United States Department of  
6 Agriculture.  
7 (i) Loans at a rate of interest of not less than 6 percent per  
8 annum, secured by mortgage on agricultural lands in this state of not  
9 less than three times the value of the amount loaned, exclusive of  
10 perishable improvements, of unexceptional title and free from all  
11 encumbrances.  
12 (j) Money market mutual funds that:  
13 (1) Are registered with the Securities and Exchange  
14 Commission;  
15 (2) Are rated by a nationally recognized rating service as  
16 "AAA" or its equivalent; and  
17 (3) Invest only in securities issued or guaranteed as to  
18 payment of principal and interest by the Federal Government, or its  
19 agencies or instrumentalities, or in repurchase agreements that are  
20 fully collateralized by such securities.  
21 (k) Common or preferred stock of a corporation created by or  
22 existing under the laws of the United States or of a state, district or  
23 territory of the United States, if:  
24 (1) The stock of the corporation is:  
25 (I) Listed on a national stock exchange; or  
26 (II) Traded in the over-the-counter market, if the price  
27 quotations for the over-the-counter stock are quoted by the National  
28 Association of Securities Dealers Automated Quotation System  
29 (NASDAQ);  
30 (2) The outstanding shares of the corporation have a total  
31 market value of not less than \$50,000,000;  
32 (3) The maximum investment in stock is not greater than 50  
33 percent of the book value of the total investments of the State  
34 Permanent School Fund;  
35 (4) Except for investments made pursuant to paragraph (m),  
36 the amount of an investment in a single corporation is not greater  
37 than 3 percent of the book value of the assets of the State Permanent  
38 School Fund; and  
39 (5) Except for investments made pursuant to paragraph (m),  
40 the total amount of shares owned by the State Permanent School  
41 Fund is not greater than 5 percent of the outstanding stock of a  
42 single corporation.  
43 (l) A pooled or commingled real estate fund or a real estate  
44 security that is managed by a corporate trustee or by an investment  
45 advisory firm that is registered with the Securities and Exchange



1 Commission, either of which may be retained by the State Treasurer  
2 as an investment manager. The shares and the pooled or  
3 commingled fund must be held in trust. The total book value of an  
4 investment made under this paragraph must not at any time be  
5 greater than 5 percent of the total book value of all investments of  
6 the State Permanent School Fund.

7 (m) Mutual funds or common trust funds that consist of any  
8 combination of the investments listed in paragraphs (a) to (l),  
9 inclusive.

10 (n) The limited partnerships or limited-liability companies  
11 described in NRS 355.280.

12 (o) *Commercial paper issued by a corporation, trust or limited-*  
13 *liability company organized and operating in the United States or*  
14 *by a depository institution licensed by the United States or any*  
15 *state and operating in the United States that:*

16 (1) *At the time of purchase has a remaining term to*  
17 *maturity of not more than 270 days; and*

18 (2) *Is rated by a nationally recognized rating service as "A-*  
19 *I," "P-1" or its equivalent, or better,*

20 *↳ except that investments pursuant to this paragraph may not, in*  
21 *aggregate value, exceed 10 percent of the total par value of the*  
22 *portfolio as determined at the time of purchase. If the rating of an*  
23 *obligation is reduced to a level that does not meet the requirements*  
24 *of this paragraph, the State Treasurer shall take such action as he*  
25 *or she deems appropriate to preserve the principal value and*  
26 *integrity of the portfolio as a whole and report to the State Board*  
27 *of Finance any action taken by the State Treasurer pursuant to*  
28 *this paragraph.*

29 (p) *Notes, bonds and other unconditional obligations for the*  
30 *payment of money, except certificates of deposit that are not issued*  
31 *by commercial banks, insured credit unions, savings and loan*  
32 *associations or savings banks, issued by corporations organized*  
33 *and operating in the United States or by depository institutions*  
34 *licensed by the United States or any state and operating in the*  
35 *United States that:*

36 (1) *Are purchased from a registered broker-dealer;*

37 (2) *At the time of purchase have a remaining term to*  
38 *maturity of not more than 5 years; and*

39 (3) *Are rated by a nationally recognized rating service as*  
40 *"A" or its equivalent, or better,*

41 *↳ except that investments pursuant to this paragraph may not, in*  
42 *aggregate value, exceed 15 percent of the total par value of the*  
43 *portfolio as determined at the time of purchase. If the rating of an*  
44 *obligation is reduced to a level that does not meet the requirements*  
45 *of this paragraph, the State Treasurer shall take such action as he*



1 *or she deems appropriate to preserve the principal value and*  
2 *integrity of the portfolio as a whole and report to the State Board*  
3 *of Finance any action taken by the State Treasurer pursuant to*  
4 *this paragraph.*

5 3. The State Treasurer shall not invest any money in the State  
6 Permanent School Fund pursuant to paragraph (k), (l), (m), ~~(n)~~  
7 *, (o) or (p)* of subsection 2 unless the State Treasurer obtains a  
8 judicial determination that the proposed investment or category of  
9 investments will not violate the provisions of Section 9 of Article 8  
10 of the Constitution of the State of Nevada. The State Treasurer shall  
11 contract for the services of independent contractors to manage any  
12 investments of the State Treasurer made pursuant to paragraph (k),  
13 (l), ~~(m)~~ *, (o) or (p)* of subsection 2. The State Treasurer shall  
14 establish such criteria for the qualifications of such an independent  
15 contractor as are appropriate to ensure that each independent  
16 contractor has expertise in the management of such investments.

17 4. In addition to the investments authorized by subsection 2,  
18 the State Treasurer may make loans of money from the State  
19 Permanent School Fund to school districts pursuant to  
20 NRS 387.526.

21 5. No part of the State Permanent School Fund may be invested  
22 pursuant to a reverse-repurchase agreement.

23 **Sec. 2.** NRS 355.140 is hereby amended to read as follows:

24 355.140 1. In addition to other investments provided for by a  
25 specific statute, the following bonds and other securities are proper  
26 and lawful investments of any of the money of this state, of its  
27 various departments, institutions and agencies, and of the State  
28 Insurance Fund:

29 (a) Bonds and certificates of the United States;

30 (b) Bonds, notes, debentures and loans if they are underwritten  
31 by or their payment is guaranteed by the United States;

32 (c) Obligations or certificates of the United States Postal  
33 Service, the Federal National Mortgage Association, the  
34 Government National Mortgage Association, the Federal  
35 Agricultural Mortgage Corporation, the Federal Home Loan Banks,  
36 the Federal Home Loan Mortgage Corporation or the Student Loan  
37 Marketing Association, whether or not guaranteed by the United  
38 States;

39 (d) Bonds of this state or other states of the Union;

40 (e) Bonds of any county of this state or of other states;

41 (f) Bonds of incorporated cities in this state or in other states of  
42 the Union, including special assessment district bonds if those bonds  
43 provide that any deficiencies in the proceeds to pay the bonds are to  
44 be paid from the general fund of the incorporated city;



1 (g) General obligation bonds of irrigation districts and drainage  
2 districts in this state which are liens upon the property within those  
3 districts, if the value of the property is found by the board or  
4 commission making the investments to render the bonds financially  
5 sound over all other obligations of the districts;

6 (h) Bonds of school districts within this state;

7 (i) Bonds of any general improvement district whose population  
8 is 200,000 or more and which is situated in two or more counties of  
9 this state or of any other state, if:

10 (1) The bonds are general obligation bonds and constitute a  
11 lien upon the property within the district which is subject to  
12 taxation; and

13 (2) That property is of an assessed valuation of not less than  
14 five times the amount of the bonded indebtedness of the district;

15 (j) Medium-term obligations for counties, cities and school  
16 districts authorized pursuant to chapter 350 of NRS;

17 (k) Loans bearing interest at a rate determined by the State  
18 Board of Finance when secured by first mortgages on agricultural  
19 lands in this state of not less than three times the value of the  
20 amount loaned, exclusive of perishable improvements, and of  
21 unexceptional title and free from all encumbrances;

22 (l) Farm loan bonds, consolidated farm loan bonds, debentures,  
23 consolidated debentures and other obligations issued by federal land  
24 banks and federal intermediate credit banks under the authority of  
25 the Federal Farm Loan Act, formerly 12 U.S.C. §§ 636 to 1012,  
26 inclusive, and §§ 1021 to 1129, inclusive, and the Farm Credit Act  
27 of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive, and bonds,  
28 debentures, consolidated debentures and other obligations issued by  
29 banks for cooperatives under the authority of the Farm Credit Act of  
30 1933, formerly 12 U.S.C. §§ 1131 to 1138e, inclusive, and the Farm  
31 Credit Act of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive, excluding  
32 such money thereof as has been received or which may be received  
33 hereafter from the Federal Government or received pursuant to some  
34 federal law which governs the investment thereof;

35 (m) Negotiable certificates of deposit issued by commercial  
36 banks, insured credit unions, savings and loan associations or  
37 savings banks;

38 (n) Bankers' acceptances of the kind and maturities made  
39 eligible by law for rediscount with Federal Reserve banks or trust  
40 companies which are members of the Federal Reserve System,  
41 except that acceptances may not exceed 180 days' maturity, and  
42 may not, in aggregate value, exceed ~~[20]~~ 25 percent of the total par  
43 value of the portfolio as determined at the time of purchase;

44 (o) Commercial paper issued by a corporation, *trust or limited-*  
45 *liability company* organized and operating in the United States or by



1 a depository institution licensed by the United States or any state  
2 and operating in the United States that:

3 (1) At the time of purchase has a remaining term to maturity  
4 of not more than 270 days; and

5 (2) Is rated by a nationally recognized rating service as "A-  
6 1," "P-1" or its equivalent, or better,

7 ↪ except that investments pursuant to this paragraph may not, in  
8 aggregate value, exceed 25 percent of the total par value of the  
9 portfolio as determined at the time of purchase. If the rating of an  
10 obligation is reduced to a level that does not meet the requirements  
11 of this paragraph, the State Treasurer shall take such action as he or  
12 she deems appropriate to preserve the principal value and integrity  
13 of the portfolio as a whole and report to the State Board of Finance  
14 any action taken by the State Treasurer pursuant to this paragraph;

15 (p) Notes, bonds and other unconditional obligations for the  
16 payment of money, except certificates of deposit that do not qualify  
17 pursuant to paragraph (m), issued by corporations organized and  
18 operating in the United States or by depository institutions licensed  
19 by the United States or any state and operating in the United States  
20 that:

21 (1) Are purchased from a registered broker-dealer;

22 (2) At the time of purchase have a remaining term to  
23 maturity of not more than 5 years; and

24 (3) Are rated by a nationally recognized rating service as "A"  
25 or its equivalent, or better,

26 ↪ except that investments pursuant to this paragraph may not, in  
27 aggregate value, exceed 25 percent of the total par value of the  
28 portfolio as determined at the time of purchase. If the rating of an  
29 obligation is reduced to a level that does not meet the requirements  
30 of this paragraph, the State Treasurer shall take such action as he or  
31 she deems appropriate to preserve the principal value and integrity  
32 of the portfolio as a whole and report to the State Board of Finance  
33 any action taken by the State Treasurer pursuant to this paragraph;

34 (q) A bond, note or other obligation issued or unconditionally  
35 guaranteed by the International Bank for Reconstruction and  
36 Development, the International Finance Corporation or the Inter-  
37 American Development Bank that:

38 (1) Is denominated in United States dollars;

39 (2) Is a senior unsecured unsubordinated obligation;

40 (3) At the time of purchase has a remaining term to maturity  
41 of 5 years or less; and

42 (4) Is rated by a nationally recognized rating service as "AA"  
43 or its equivalent, or better,





1 ↪ except that investments pursuant to this paragraph may not, in  
2 aggregate value, exceed 15 percent of the total par value of the  
3 portfolio as determined at the time of purchase;

4 (r) A bond, note or other obligation publicly issued in the United  
5 States by a foreign financial institution, corporation or government  
6 that:

7 (1) Is denominated in United States dollars;

8 (2) Is a senior unsecured unsubordinated obligation;

9 (3) Is registered with the Securities and Exchange  
10 Commission in accordance with the provisions of the Securities Act  
11 of 1933, 15 U.S.C. §§ 77a et seq., as amended;

12 (4) Is purchased from a registered broker-dealer;

13 (5) At the time of purchase has a remaining term to maturity  
14 of 5 years or less; and

15 (6) Is rated by a nationally recognized rating service as "A"  
16 or its equivalent, or better,

17 ↪ except that investment pursuant to this paragraph may not, in  
18 aggregate value, exceed 10 percent of the total par value of the  
19 portfolio as determined at the time of purchase;

20 (s) Money market mutual funds which:

21 (1) Are registered with the Securities and Exchange  
22 Commission;

23 (2) Are rated by a nationally recognized rating service as  
24 "AAA" or its equivalent; and

25 (3) Invest only in securities issued by the Federal  
26 Government or agencies of the Federal Government or in repurchase  
27 agreements fully collateralized by such securities;

28 (t) Collateralized mortgage obligations that are rated by a  
29 nationally recognized rating service as "AAA" or its equivalent; and

30 (u) Asset-backed securities that are rated by a nationally  
31 recognized rating service as "AAA" or its equivalent.

32 2. Repurchase agreements and reverse-repurchase agreements  
33 are proper and lawful investments of money of the State and the  
34 State Insurance Fund for the purchase or sale of securities which are  
35 negotiable and of the types listed in subsection 1 if made in  
36 accordance with the following conditions:

37 (a) The State Treasurer shall designate in advance and thereafter  
38 maintain a list of qualified counterparties which:

39 (1) Regularly provide audited and, if available, unaudited  
40 financial statements to the State Treasurer;

41 (2) The State Treasurer has determined to have adequate  
42 capitalization and earnings and appropriate assets to be highly credit  
43 worthy; and

44 (3) Have executed a written master repurchase agreement or  
45 master reverse-repurchase agreement, as applicable, in a form



1 satisfactory to the State Treasurer and the State Board of Finance  
2 pursuant to which all repurchase agreements or reverse-repurchase  
3 agreements are entered into. The master repurchase agreement and  
4 master reverse-repurchase agreement must require the prompt  
5 delivery to the State Treasurer and the appointed custodian of  
6 written confirmations of all transactions conducted thereunder, and  
7 must be developed giving consideration to the Federal Bankruptcy  
8 Act, 11 U.S.C. §§ 101 et seq.

9 (b) In all repurchase agreements:

10 (1) At or before the time money to pay the purchase price is  
11 transferred, title to the purchased securities must be recorded in the  
12 name of the appointed custodian, or the purchased securities must be  
13 delivered with all appropriate, executed transfer instruments by  
14 physical delivery to the custodian;

15 (2) The State must enter into a written contract with the  
16 custodian appointed pursuant to subparagraph (1) which requires the  
17 custodian to:

18 (I) Disburse cash for repurchase agreements only upon  
19 receipt of the underlying securities;

20 (II) Notify the State when the securities are marked to the  
21 market if the required margin on the agreement is not maintained;

22 (III) Hold the securities separate from the assets of the  
23 custodian; and

24 (IV) Report periodically to the State concerning the  
25 market value of the securities;

26 (3) The market value of the purchased securities must exceed  
27 102 percent of the repurchase price to be paid by the counterparty  
28 and the value of the purchased securities must be marked to the  
29 market weekly;

30 (4) The date on which the securities are to be repurchased  
31 must not be more than 90 days after the date of purchase; and

32 (5) The purchased securities must not have a term to maturity  
33 at the time of purchase in excess of 10 years.

34 (c) In all reverse-repurchase agreements:

35 (1) The State must enter into a written contract with the  
36 appointed custodian which authorizes the custodian to transfer the  
37 securities underlying the reverse-repurchase agreement only at or  
38 after the time at which money to pay the purchase price of the  
39 securities is transferred to the custodian;

40 (2) The date on which the State commits to repurchase a  
41 security purchased by a counterparty or securities of the same issuer,  
42 description, issue date and maturity must not be more than 90 days  
43 after the date on which the counterparty purchased the securities  
44 from the State; and



1 (3) Money received by the custodian pursuant to  
2 subparagraph (1) may be used by the State only to purchase  
3 securities whose maturity matches or is not longer than the term of  
4 the reverse-repurchase agreement.

5 3. As used in this section:

6 (a) "Counterparty" means a bank organized and operating or  
7 licensed to operate in the United States pursuant to federal or state  
8 law or a securities dealer which is:

9 (1) A registered broker-dealer;

10 (2) Designated by the Federal Reserve Bank of New York as  
11 a "primary" dealer in United States government securities; and

12 (3) In full compliance with all applicable capital  
13 requirements.

14 (b) "Repurchase agreement" means a purchase of securities by  
15 the State or State Insurance Fund from a counterparty which  
16 commits to repurchase those securities or securities of the same  
17 issuer, description, issue date and maturity on or before a specified  
18 date for a specified price.

19 (c) "Reverse-repurchase agreement" means a purchase of  
20 securities by a counterparty from the State which commits to  
21 repurchase those securities or securities of the same issuer,  
22 description, issue date and maturity on or before a specified date for  
23 a specified price.

24 **Sec. 3.** NRS 355.170 is hereby amended to read as follows:

25 355.170 1. Except as otherwise provided in this section and  
26 NRS 354.750 and 355.171, the governing body of a local  
27 government or an administrative entity established pursuant to NRS  
28 277.080 to 277.180, inclusive, that is not a local government may  
29 purchase for investment the following securities and no others:

30 (a) Bonds and debentures of the United States, the maturity  
31 dates of which do not extend more than 10 years after the date of  
32 purchase.

33 (b) A bond, note or other obligation issued or unconditionally  
34 guaranteed by the International Bank for Reconstruction and  
35 Development, the International Finance Corporation or the Inter-  
36 American Development Bank that:

37 (1) Is denominated in United States dollars;

38 (2) Is a senior unsecured unsubordinated obligation;

39 (3) At the time of purchase has a remaining term to maturity  
40 of 5 years or less; and

41 (4) Is rated by a nationally recognized rating service as "AA"  
42 or its equivalent, or better,

43 ↪ except that investments pursuant to this paragraph may not, in  
44 aggregate value, exceed 15 percent of the total par value of the  
45 portfolio as determined at the time of purchase.



1 (c) A bond, note or other obligation publicly issued in the  
2 United States by a foreign financial institution, corporation or  
3 government that:

4 (1) Is denominated in United States dollars;

5 (2) Is a senior unsecured unsubordinated obligation;

6 (3) Is registered with the Securities and Exchange  
7 Commission in accordance with the provisions of the Securities Act  
8 of 1933, §§ 77a et seq., as amended;

9 (4) Is purchased from a registered broker-dealer;

10 (5) At the time of purchase has a remaining term to maturity  
11 of 5 years or less; and

12 (6) Is rated by a nationally recognized rating service as "A"  
13 or its equivalent, or better,

14 ↪ except that investments pursuant to this paragraph may not, in  
15 aggregate value, exceed 10 percent of the total par value of the  
16 portfolio as determined at the time of purchase.

17 (d) Farm loan bonds, consolidated farm loan bonds, debentures,  
18 consolidated debentures and other obligations issued by federal land  
19 banks and federal intermediate credit banks under the authority of  
20 the Federal Farm Loan Act, formerly 12 U.S.C. §§ 636 to 1012,  
21 inclusive, and §§ 1021 to 1129, inclusive, and the Farm Credit Act  
22 of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive, and bonds,  
23 debentures, consolidated debentures and other obligations issued by  
24 banks for cooperatives under the authority of the Farm Credit Act of  
25 1933, formerly 12 U.S.C. §§ 1131 to 1138e, inclusive, and the Farm  
26 Credit Act of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive.

27 (e) Bills and notes of the United States Treasury, the maturity  
28 date of which is not more than 10 years after the date of purchase.

29 (f) Obligations of an agency or instrumentality of the United  
30 States of America or a corporation sponsored by the government,  
31 the maturity date of which is not more than 10 years after the date of  
32 purchase.

33 (g) Negotiable certificates of deposit issued by commercial  
34 banks, insured credit unions, savings and loan associations or  
35 savings banks ↪ **that:**

36 (1) *At the time of purchase has a remaining term to*  
37 *maturity of 5 years or less; and*

38 (2) *If the certificates are not within the limits of insurance*  
39 *provided by an instrumentality of the United States, are rated by a*  
40 *nationally recognized rating service as "A-1," "P-1" or its*  
41 *equivalent, or better, or are collateralized in the same manner as is*  
42 *required for uninsured deposits by a county treasurer pursuant to*  
43 *NRS 356.133,*

44 ↪ *except that not more than 5 percent of the total par value of the*  
45 *portfolio may be invested in notes, bonds and other unconditional*



1 *obligations issued by any one commercial bank, insured credit*  
2 *union, savings and loan association or savings bank. If the rating*  
3 *of an obligation is reduced to a level that does not meet the*  
4 *requirements of this paragraph, the investment advisor must*  
5 *report the reduction in the rating to the governing body of the*  
6 *local government that purchased the investment, the governing*  
7 *body of the local government or, if the purchase was effected by*  
8 *the State Treasurer pursuant to his or her investment of a pool of*  
9 *money from local governments, the State Treasurer must take*  
10 *such action as the governing body or State Treasurer deems*  
11 *appropriate to preserve the principal value and integrity of the*  
12 *portfolio as a whole and the governing body or State Treasurer, as*  
13 *applicable, must report to the State Board of Finance any action*  
14 *taken pursuant to this paragraph. For the purposes of*  
15 *subparagraph (2), any reference in NRS 356.133 to a “county*  
16 *treasurer” or “board of county commissioners” shall be deemed to*  
17 *refer to the appropriate financial officer or governing body of the*  
18 *local government purchasing the certificates.*

19 (h) Securities which have been expressly authorized as  
20 investments for local governments by any provision of Nevada  
21 Revised Statutes or by any special law.

22 (i) Nonnegotiable certificates of deposit issued by insured  
23 commercial banks, insured credit unions, insured savings and loan  
24 associations or insured savings banks, except certificates that are not  
25 within the limits of insurance provided by an instrumentality of the  
26 United States, unless those certificates are collateralized in the same  
27 manner as is required for uninsured deposits by a county treasurer  
28 pursuant to NRS 356.133. For the purposes of this paragraph, any  
29 reference in NRS 356.133 to a “county treasurer” or “board of  
30 county commissioners” shall be deemed to refer to the appropriate  
31 financial officer or governing body of the local government  
32 purchasing the certificates.

33 (j) Subject to the limitations contained in NRS 355.177,  
34 negotiable notes or medium-term obligations issued by local  
35 governments of the State of Nevada pursuant to NRS 350.087 to  
36 350.095, inclusive.

37 (k) Bankers’ acceptances of the kind and maturities made  
38 eligible by law for rediscount with Federal Reserve Banks, and  
39 generally accepted by banks or trust companies which are members  
40 of the Federal Reserve System. Eligible bankers’ acceptances may  
41 not exceed 180 days’ maturity. Purchases of bankers’ acceptances  
42 may not exceed ~~20~~ 25 percent of the money available to a local  
43 government for investment as determined at the time of purchase.

44 (l) Obligations of state and local governments ~~;~~

45 ~~—(1) If:~~



1 ~~\_\_\_\_\_ (I) The interest on the obligation is exempt from gross~~  
2 ~~income for federal income tax purposes; and~~

3 ~~\_\_\_\_\_ (II) The] if the obligation [has] :~~

4 (1) *Has* been rated "A" or higher by one or more nationally  
5 recognized bond credit rating agencies; or

6 (2) ~~[If the obligation is]~~ *Is* secured by the proceeds that are  
7 paid into the tax increment account of a tax increment area created  
8 by a municipality pursuant to NRS 278C.220.

9 (m) Commercial paper issued by a corporation, *trust or limited-*  
10 *liability company* organized and operating in the United States or by  
11 a depository institution licensed by the United States or any state  
12 and operating in the United States that:

13 (1) At the time of purchase has a remaining term to maturity  
14 of no more than 270 days; and

15 (2) Is rated by a nationally recognized rating service as "A-  
16 1," "P-1" or its equivalent, or better,

17 ↪ except that investments pursuant to this paragraph may not, in  
18 aggregate value, exceed 25 percent of the total par value of the  
19 portfolio as determined at the time of purchase, and not more than 5  
20 percent of the total par value of the portfolio may be invested in  
21 commercial paper issued by any one corporation or depository  
22 institution. If the rating of an obligation is reduced to a level that  
23 does not meet the requirements of this paragraph, the investment  
24 advisor must report the reduction in the rating to the governing body  
25 of the local government that purchased the investment, the  
26 governing body of the local government or, if the purchase was  
27 effected by the State Treasurer pursuant to his or her investment of a  
28 pool of money from local governments, the State Treasurer must  
29 take such action as the governing body or State Treasurer deems  
30 appropriate to preserve the principal value and integrity of the  
31 portfolio as a whole and the governing body or State Treasurer, as  
32 applicable, must report to the State Board of Finance any action  
33 taken pursuant to this paragraph.

34 (n) Money market mutual funds which:

35 (1) Are registered with the Securities and Exchange  
36 Commission;

37 (2) Are rated by a nationally recognized rating service as  
38 "AAA" or its equivalent; and

39 (3) Invest only in:

40 (I) Securities issued by the Federal Government or  
41 agencies of the Federal Government;

42 (II) Master notes, bank notes or other short-term  
43 commercial paper rated by a nationally recognized rating service as  
44 "A-1," "P-1" or its equivalent, or better, issued by a corporation  
45 organized and operating in the United States or by a depository



1 institution licensed by the United States or any state and operating in  
2 the United States; or

3 (III) Repurchase agreements that are fully collateralized  
4 by the obligations described in sub-subparagraphs (I) and (II).

5 (o) Obligations of the Federal Agricultural Mortgage  
6 Corporation.

7 2. Repurchase agreements are proper and lawful investments of  
8 money of a governing body of a local government for the purchase  
9 or sale of securities which are negotiable and of the types listed in  
10 subsection 1 if made in accordance with the following conditions:

11 (a) The governing body of the local government shall designate  
12 in advance and thereafter maintain a list of qualified counterparties  
13 which:

14 (1) Regularly provide audited and, if available, unaudited  
15 financial statements;

16 (2) The governing body of the local government has  
17 determined to have adequate capitalization and earnings and  
18 appropriate assets to be highly creditworthy; and

19 (3) Have executed a written master repurchase agreement in  
20 a form satisfactory to the governing body of the local government  
21 pursuant to which all repurchase agreements are entered into. The  
22 master repurchase agreement must require the prompt delivery to  
23 the governing body of the local government and the appointed  
24 custodian of written confirmations of all transactions conducted  
25 thereunder, and must be developed giving consideration to the  
26 Federal Bankruptcy Act.

27 (b) In all repurchase agreements:

28 (1) At or before the time money to pay the purchase price is  
29 transferred, title to the purchased securities must be recorded in the  
30 name of the appointed custodian, or the purchased securities must be  
31 delivered with all appropriate, executed transfer instruments by  
32 physical delivery to the custodian;

33 (2) The governing body of the local government must enter a  
34 written contract with the custodian appointed pursuant to  
35 subparagraph (1) which requires the custodian to:

36 (I) Disburse cash for repurchase agreements only upon  
37 receipt of the underlying securities;

38 (II) Notify the governing body of the local government  
39 when the securities are marked to the market if the required margin  
40 on the agreement is not maintained;

41 (III) Hold the securities separate from the assets of the  
42 custodian; and

43 (IV) Report periodically to the governing body of the  
44 local government concerning the market value of the securities;



1 (3) The market value of the purchased securities must exceed  
2 102 percent of the repurchase price to be paid by the counterparty  
3 and the value of the purchased securities must be marked to the  
4 market weekly;

5 (4) The date on which the securities are to be repurchased  
6 must not be more than 90 days after the date of purchase; and

7 (5) The purchased securities must not have a term to maturity  
8 at the time of purchase in excess of 10 years.

9 3. The securities described in paragraphs (a), (d) and (e) of  
10 subsection 1 and the repurchase agreements described in subsection  
11 2 may be purchased when, in the opinion of the governing body of  
12 the local government, there is sufficient money in any fund of the  
13 local government to purchase those securities and the purchase will  
14 not result in the impairment of the fund for the purposes for which it  
15 was created.

16 4. When the governing body of the local government has  
17 determined that there is available money in any fund or funds for the  
18 purchase of bonds as set out in subsection 1 or 2, those purchases  
19 may be made and the bonds paid for out of any one or more of the  
20 funds, but the bonds must be credited to the funds in the amounts  
21 purchased, and the money received from the redemption of the  
22 bonds, as and when redeemed, must go back into the fund or funds  
23 from which the purchase money was taken originally.

24 5. Any interest earned on money invested pursuant to  
25 subsection 3, may, at the discretion of the governing body of the  
26 local government, be credited to the fund from which the principal  
27 was taken or to the general fund of the local government.

28 6. The governing body of a local government may invest any  
29 money apportioned into funds and not invested pursuant to  
30 subsection 3 and any money not apportioned into funds in bills and  
31 notes of the United States Treasury, the maturity date of which is  
32 not more than 1 year after the date of investment. These investments  
33 must be considered as cash for accounting purposes, and all the  
34 interest earned on them must be credited to the general fund of the  
35 local government.

36 7. This section does not authorize the investment of money  
37 administered pursuant to a contract, debenture agreement or grant in  
38 a manner not authorized by the terms of the contract, agreement or  
39 grant.

40 8. As used in this section:

41 (a) "Counterparty" means a bank organized and operating or  
42 licensed to operate in the United States pursuant to federal or state  
43 law or a securities dealer which is:

44 (1) A registered broker-dealer;





1 (2) Designated by the Federal Reserve Bank of New York as  
2 a “primary” dealer in United States government securities; and

3 (3) In full compliance with all applicable capital  
4 requirements.

5 (b) “Local government” has the meaning ascribed to it in  
6 NRS 354.474.

7 (c) “Repurchase agreement” means a purchase of securities by  
8 the governing body of a local government from a counterparty  
9 which commits to repurchase those securities or securities of the  
10 same issuer, description, issue date and maturity on or before a  
11 specified date for a specified price.

12 **Sec. 4.** NRS 355.280 is hereby amended to read as follows:

13 355.280 If the State Treasurer obtains the judicial  
14 determination required by subsection 3 of NRS 355.060, the State  
15 Treasurer may transfer an amount not to exceed \$75,000,000 from  
16 the State Permanent School Fund to the corporation for public  
17 benefit. Such a transfer must be made pursuant to an agreement that  
18 requires the corporation for public benefit to:

19 1. Provide, through the limited partnerships or limited-liability  
20 companies described in subsection 1 of NRS 355.270, private equity  
21 funding; and

22 2. Ensure that ~~at least 70~~ *more than 50* percent of all private  
23 equity funding provided by the corporation for public benefit ,  
24 *including, without limitation, private equity funding provided by a*  
25 *corporation for public benefit to a pooled fund that includes*  
26 *businesses located outside of this State*, is provided to businesses:

27 (a) Located in this State or seeking to locate in this State; and

28 (b) Engaged primarily in one or more of the following  
29 industries:

30 (1) Health care and life sciences.

31 (2) Cyber security.

32 (3) Homeland security and defense.

33 (4) Alternative energy.

34 (5) Advanced materials and manufacturing.

35 (6) Information technology.

36 (7) Any other industry that the board of directors of the  
37 corporation for public benefit determines will likely meet the targets  
38 for investment returns established by the corporation for public  
39 benefit for investments authorized by NRS 355.250 to 355.285,  
40 inclusive, and comply with sound fiduciary principles.

41 **Sec. 5.** This act becomes effective on July 1, 2023.







