

EMERGENCY REQUEST of Senate Majority Leader

Senate Bill No. 207—Senators Roberson, Harris,
Kieckhefer, Hardy, Farley; and Brower

CHAPTER.....

AN ACT relating to financing of school facilities; temporarily authorizing the boards of trustees of school districts with prior voter approval to issue general obligation bonds in certain circumstances; temporarily revising provisions governing the transfer of certain revenue to the fund for capital projects of such a school district; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes the board of trustees of a school district to issue general obligation bonds to raise money for certain specified purposes related to school facilities, including: (1) the construction, design or purchase of new buildings for schools; (2) enlarging, remodeling or repairing existing buildings or grounds for schools; and (3) acquiring sites for building schools. (NRS 387.335)

Under existing law, if a municipality proposes to issue or incur general obligation bonds, the proposal is required to be submitted to the qualified electors at an election. Existing law provides an exception from this requirement for the issuance of general obligation bonds of a school district if: (1) the issuance of the bonds is not expected to result in an increase in the existing property tax levy for the payment of the bonds of the school district; and (2) the voters have approved a question that authorizes the issuance of such bonds by the board of trustees of the school district for 10 years after the date of approval under two conditions. First, the board of trustees is required to make a finding that the existing tax for debt service will at least equal the amount required to pay the principal and interest on the outstanding general obligations of the school district and the general obligations proposed to be issued. Second, the board of trustees is required to obtain approval of each such bond issuance from the debt management commission in the county in which the school district is located and, in counties whose population is 100,000 or more (currently Clark and Washoe Counties), from the oversight panel for school facilities. Existing law also provides that such a question may authorize the board of trustees to transfer any excess revenue generated by the school district’s property tax for debt service to the fund for capital projects of the school district to pay for certain capital projects, commonly known as “pay as you go” funding. (NRS 350.020)

If such a question for the issuance of bonds of a school district has been approved by the voters, this bill authorizes the board of trustees of the school district to issue general obligation bonds for one additional period of 10 years, without any further approval of the voters and regardless of whether the question was approved more than 10 years before the effective date of this bill. For each issuance of bonds during that additional 10-year period, the board of trustees must make the required finding regarding the sufficiency of the existing tax to pay debt service on the bonds and obtain the approval of the debt management commission in the county and, if applicable, the oversight panel for school facilities. During the additional 10-year period, this bill also authorizes the board of trustees to use excess revenue generated from the property tax for debt service of the school district for “pay as you go” funding even though such authorization was not specifically included in the question approved by the voters.



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

Section 1. Chapter 350 of NRS is hereby amended by adding thereto a new section to read as follows:

If the voters approved a question that was submitted by a board of trustees of a school district in accordance with subsection 4 of NRS 350.020 for authorization to issue general obligation bonds, regardless of whether such approval occurred more than 10 years before the effective date of this act:

1. Such approval shall be deemed to constitute approval of the qualified electors for the issuance of general obligation bonds by the board of trustees of the school district pursuant to subsection 4 of NRS 350.020 for a period of 10 years commencing on the effective date of this act if the question was approved by the voters more than 10 years before the effective date of this act, or otherwise commencing on the date of the expiration of the 10-year period approved by the voters in the question, and no other approval of the qualified electors is required for such issuance of general obligation bonds pursuant to the provisions of NRS 350.020 by the board of trustees of the school district for that period.

2. During the 10-year period in which a board of trustees is authorized to issue bonds as provided in subsection 1, all or a portion of the revenue generated by the school district's property tax for debt service which is in excess of the amount required:

(a) For debt service in the current fiscal year;

(b) For other purposes related to the bonds by the instrument pursuant to which the bonds were issued; and

(c) To maintain the reserve account required pursuant to subsection 5 of NRS 350.020,

↪ may be transferred by the board of trustees to the school district's fund for capital projects established pursuant to NRS 387.328 and used to pay the cost of capital projects which can lawfully be paid from that fund. Any such transfer must not limit the ability of the school district to issue bonds if the findings and approvals required by subsection 4 of NRS 350.020 are obtained.

Sec. 2. This act becomes effective upon passage and approval.

