

ASSEMBLY BILL NO. 399—ASSEMBLYWOMAN
BUSTAMANTE ADAMS

MARCH 20, 2017

Referred to Committee on Government Affairs

SUMMARY—Establishes the Nevada State Infrastructure Bank.
(BDR 28-1129)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to public works; establishing the Nevada State Infrastructure Bank; providing for the governance of the Bank by a Board of Directors; establishing the powers and duties of the Board of Directors; providing for the administration of the Bank by an Executive Director; establishing the powers and duties of the Executive Director; establishing the Nevada State Infrastructure Bank Fund; authorizing the Bank to perform certain acts in connection with the financing of certain transportation facilities and utility infrastructure projects; providing civil immunity for certain persons for certain official actions; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 **Sections 2-37** of this bill establish the Nevada State Infrastructure Bank. The
2 purpose of the Bank is to provide loans and other financial assistance to various
3 units of state and local government for the development, construction,
4 improvement, operation and ownership of certain transportation facilities and utility
5 infrastructure projects. **Sections 20 and 37** of this bill create the Bank within the
6 State Public Works Division of the Department of Administration and provides for
7 its governance by a Board of Directors. **Section 21** of this bill establishes certain
8 powers and duties of the Board of Directors. **Section 21** further authorizes the
9 Board of Directors to issue bonds or other securities to raise money to carry out its
10 statutory purposes and powers. **Section 22** of this bill requires the Governor to
11 appoint an Executive Director to administer, manage and conduct the affairs of the
12 Bank and establishes the powers and duties of the Executive Director. **Section 23**
13 of this bill creates the Nevada State Infrastructure Bank Fund to be administered by



14 the Board of Directors and used exclusively to capitalize and carry out the statutory
15 powers and purpose of the Bank.

16 **Section 24** of this bill establishes certain procedures relating to: (1) applications
17 for a loan or other financial assistance from the Bank in connection with a project
18 to develop, construct, improve, operate or own a transportation facility or utility
19 infrastructure project; (2) the determination by the Executive Director of eligible
20 projects; and (3) selection by the Board of Directors of projects that qualify to
21 obtain such a loan or assistance. **Section 25** of this bill requires a borrower whose
22 project is qualified to receive a loan or other financial assistance to enter into a
23 financing agreement with the Bank and, in case of a loan, to issue some kind of
24 security to the Bank that evidences the borrower's obligation to repay the loan.

25 **Section 26** of this bill authorizes the Bank to act as an insurer or reinsurer in
26 connection with a loan or satisfaction of a related obligation made by the Bank.

27 **Section 27** of this bill authorizes the Bank to provide security for any revenue
28 bonds issued by the Bank.

29 **Section 28** of this bill provides that any debt or obligation issued by the Bank is
30 not a debt, liability or obligation of this State or of any political subdivision thereof,
31 or a pledge of the faith and credit of this State or a political subdivision, other than
32 the Bank itself.

33 If a borrower who has received a loan from the Bank fails to make a payment
34 of any money owed to the Bank, **section 29** of this bill authorizes the Bank, under
35 certain circumstances, to require other state agencies that are in possession of
36 money of the State or other money that is allotted or appropriated to the borrower to
37 withhold that money from that borrower and remit it to the Bank to use the money
38 to make the necessary payment to the Bank.

39 **Section 30** of this bill provides a grant of immunity from civil liability to the
40 Board of Directors of the Bank or the officers and employees of the Bank for
41 certain official acts under certain circumstances. **Section 31** of this bill exempts the
42 Bank from certain procedural prerequisites that would otherwise be applicable to its
43 actions. **Section 32** of this bill exempts the property of the Bank and its income
44 from taxation. **Section 33** of this bill exempts the bonds and other securities issued
45 by the Bank from most forms of taxation.

46 **Section 34** of this bill provides that any authority given to a governmental
47 borrower to issue bonds by this bill is supplemental to, and not in lieu of, any
48 existing authority to issue bonds.

49 **Section 35** of this bill also provides that the provisions of this bill are intended
50 to supplement, not supplant, other existing laws concerning the development,
51 construction, improvement, operation and ownership of transportation facilities and
52 utility infrastructure and the issuance of bonds and other securities by this State and
53 political subdivisions thereof. However, **section 35** also provides that if there is a
54 conflict between those laws and this bill, the provisions of this bill control.

55 **Section 36** of this bill requires the Bank to submit an annual report concerning
56 its activities to the Governor and the Legislature.

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

1 **Section 1.** Chapter 341 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 36, inclusive, of this
3 act.

4 **Sec. 2.** *As used in sections 2 to 36, inclusive, of this act,*
5 *unless the context otherwise requires, the words and terms defined*



1 *in sections 3 to 19, inclusive, of this act have the meanings*
2 *ascribed to them in those sections.*

3 **Sec. 3.** *“Bank” means the Nevada State Infrastructure Bank.*

4 **Sec. 4.** *“Board of Directors” means the Board of Directors of*
5 *the Bank.*

6 **Sec. 5.** *“Eligible costs” means, as applied to a qualified*
7 *project to be financed from:*

8 *1. The federal highway account established by section 23 of*
9 *this act, the costs that are allowed under applicable federal laws,*
10 *requirements, procedures and guidelines in regard to establishing,*
11 *and providing assistance from the Bank.*

12 *2. The state and local highway account established by section*
13 *23 of this act, costs including, without limitation, the cost of*
14 *preliminary engineering, traffic and revenue studies,*
15 *environmental studies, right-of-way acquisition, legal and*
16 *financial services associated with the development of the qualified*
17 *project, construction, construction management, facilities and*
18 *other costs necessary for the qualified project.*

19 *3. The federal utility infrastructure account established by*
20 *section 23 of this act, costs including, without limitation, the cost*
21 *of preliminary engineering, environmental studies, property right*
22 *acquisition, legal and financial services associated with the*
23 *development of the qualified project, construction, construction*
24 *management, equipment, facilities and other nonoperating costs*
25 *necessary for the qualified project.*

26 *4. A federal or state and local nonhighway account*
27 *established by section 23 of this act, costs including, without*
28 *limitation, the cost of preliminary engineering, traffic and revenue*
29 *studies, environmental studies, right-of-way acquisition, legal and*
30 *financial services associated with the development of the qualified*
31 *project, construction, construction management, equipment,*
32 *facilities and other nonoperating costs necessary for the qualified*
33 *project.*

34 *5. The state and local utility infrastructure account*
35 *established by section 23 of this act, costs including, without*
36 *limitation, the cost of preliminary engineering, environmental*
37 *studies, property right acquisition, legal and financial services*
38 *associated with the development of the qualified project,*
39 *construction, construction management, equipment, facilities and*
40 *other nonoperating costs necessary for the qualified project.*

41 **Sec. 6.** *“Eligible project” means the development,*
42 *construction, repair, improvement, operation or ownership of a*
43 *transportation facility project or utility infrastructure project.*

44 **Sec. 7.** *“Executive Director” means the Executive Director*
45 *of the Bank.*



1 **Sec. 8.** *“Federal accounts” means the federal highway*
2 *account, federal nonhighway account and federal utility*
3 *infrastructure account established pursuant to section 23 of this*
4 *act.*

5 **Sec. 9. 1.** *“Financing agreement” means any agreement*
6 *entered into between the Bank and a qualified borrower*
7 *pertaining to a loan or other financial assistance for a qualified*
8 *project, which may or may not include nonfinancial provisions*
9 *relating to the qualified project, including, without limitation,*
10 *terms and conditions relating to the regulation and supervision of*
11 *the qualified project.*

12 **2.** *The term includes, without limitation:*

13 **(a)** *A loan agreement;*

14 **(b)** *A trust indenture;*

15 **(c)** *A security agreement;*

16 **(d)** *A reimbursement agreement;*

17 **(e)** *A guarantee agreement;*

18 **(f)** *A bond or note; and*

19 **(g)** *An ordinance or a resolution or similar instrument.*

20 **Sec. 10.** *“Governmental unit” means:*

21 **1.** *The State of Nevada, including, without limitation, any*
22 *board, commission, agency, department, division or*
23 *instrumentality thereof;*

24 **2.** *A political subdivision of the State of Nevada, including,*
25 *without limitation, a county, city, town, school district, general or*
26 *local improvement district or a combination of two or more of*
27 *those entities acting jointly or in conjunction with an operator of*
28 *public transit or a public utility; and*

29 **3.** *A public or private utility.*

30 **Sec. 11.** *“Loan” means any form of direct financial*
31 *assistance that is provided by the Bank to a qualified borrower to*
32 *defray all or part of the anticipated or actual costs of a qualified*
33 *project and is required to be repaid by the borrower over a period*
34 *of time.*

35 **Sec. 12.** *“Loan obligation” means a bond, note or other*
36 *evidence of a qualified borrower’s obligation to repay a loan given*
37 *by the Bank.*

38 **Sec. 13.** *“Other financial assistance” means any use of*
39 *money by the Bank for the benefit of a qualified borrower,*
40 *including, without limitation, a grant, contribution, credit*
41 *enhancement, capital or debt reserve for bonds or other debt*
42 *instrument financing, an interest rate subsidy, letter of credit or*
43 *other credit instrument, security for a bond or other debt*
44 *financing instrument and other lawful forms of financing and*
45 *methods of leveraging funds that are approved by the Board of*



1 *Directors and, in the case of money made available to the State by*
2 *the Federal Government, as allowed by applicable federal law.*

3 **Sec. 14.** *“Project revenue” means any rate, rent, fee,*
4 *assessment, charge or other receipt derived or to be derived by a*
5 *qualified borrower from a qualified project or made available*
6 *from a special source and, if so provided in the applicable*
7 *financing agreement, derived from any system of which the*
8 *qualified project is a part or from any other revenue producing*
9 *facility under the ownership or control of the qualified borrower,*
10 *including, without limitation, the proceeds of a grant, gift,*
11 *appropriation or loan, including, without limitation, the proceeds*
12 *of a loan made by the Bank, investment earnings, payments to a*
13 *reserve for capital or current expenses, proceeds of insurance or*
14 *condemnation and proceeds from the sale or other disposition of*
15 *property and from any other special source as may be provided by*
16 *the qualified borrower.*

17 **Sec. 15.** *“Qualified borrower” means a governmental unit,*
18 *or an entity established by an agreement between a governmental*
19 *unit and a private entity, that is authorized to develop, construct,*
20 *improve, operate or own a qualified project.*

21 **Sec. 16.** *“Qualified project” means an eligible project that*
22 *has been selected by the Bank to receive a loan or other financial*
23 *assistance.*

24 **Sec. 17.** *“State and local accounts” means the state and local*
25 *highway account, state and local nonhighway account and state*
26 *and local utility infrastructure account established by the Bank*
27 *pursuant to section 23 of this act.*

28 **Sec. 18.** *“Transportation facility” has the meaning ascribed*
29 *to it in NRS 408.5471 and also includes all improvements,*
30 *including equipment necessary to the full utilization thereof,*
31 *including, without limitation, site preparation, roads and streets,*
32 *sidewalks, water supply, outdoor lighting, belt line railroad sidings*
33 *and lead tracks, bridges, causeways, terminals for railroad,*
34 *automotive and air transportation, transportation facilities*
35 *incidental to the project and the dredging and improving of*
36 *harbors and waterways.*

37 **Sec. 19.** *“Utility infrastructure project” means off-site*
38 *infrastructure which allows for the engineering and construction*
39 *of utilities from the point of connection of existing utilities to the*
40 *boundary of a master-planned industrial park.*

41 **Sec. 20.** 1. *The State Infrastructure Bank is hereby created*
42 *within the Division.*

43 2. *The purpose of the Bank is to provide loans and other*
44 *financial assistance to various governmental units for the*
45 *development, construction, repair, improvement, operation and*



1 *ownership of transportation facilities and utility infrastructure*
2 *projects as necessary for public purposes, including, without*
3 *limitation, economic development.*

4 *3. The Bank is administered by a Board of Directors*
5 *consisting of:*

6 *(a) The Administrator or his or her designee;*

7 *(b) The Director of the Department of Business and Industry*
8 *or his or her designee;*

9 *(c) The State Treasurer or his or her designee;*

10 *(d) The Director of the Department of Transportation or his or*
11 *her designee;*

12 *(e) The Executive Director of the Office of Economic*
13 *Development or his or her designee; and*

14 *(f) Two representatives of the general public, at least one of*
15 *whom must reside in a county whose population is 700,000 or*
16 *more, appointed by the Governor.*

17 *4. Each member of the Board of Directors who is appointed*
18 *pursuant to subsection 3 serves at the pleasure of the appointing*
19 *authority.*

20 *5. A vacancy on the Board of Directors in an appointed*
21 *position must be filled by the appointing authority in the same*
22 *manner as the original appointment.*

23 *6. The Governor shall appoint the Chair of the Board of*
24 *Directors from among its members.*

25 *7. The members of the Board of Directors serve without*
26 *compensation but must be reimbursed the actual amounts of their*
27 *reasonable and necessary expenses incurred in attending meetings*
28 *and in performing the duties of their office, unless such expenses*
29 *are payable by another public agency.*

30 **Sec. 21. 1. The Board of Directors may:**

31 *(a) Make, and from time to time amend and repeal, bylaws not*
32 *inconsistent with this chapter, to carry into effect the powers and*
33 *purposes of this chapter.*

34 *(b) Sue and be sued.*

35 *(c) Have a seal and alter the same at the pleasure of the Board*
36 *of Directors, but the failure to affix the seal does not affect the*
37 *validity of an instrument executed on behalf of the Bank.*

38 *(d) Make loans to qualified borrowers to finance all or part of*
39 *the eligible costs of a qualified project.*

40 *(e) Provide qualified borrowers with other financial assistance*
41 *necessary to defray all or part of the eligible costs of a qualified*
42 *project.*

43 *(f) Acquire, hold and sell loan obligations at such prices and*
44 *in such a manner as the Board of Directors deems advisable.*



1 (g) Enter into contracts, arrangements and agreements with
2 qualified borrowers and other persons and execute and deliver all
3 financing agreements and other instruments necessary or
4 convenient to carry out the powers and duties of the Board of
5 Directors.

6 (h) Enter into agreements with a department, agency or
7 instrumentality of the United States or governmental unit of this
8 State or another state for the purpose of providing for the
9 financing of qualified projects.

10 (i) Establish:

11 (1) Policies and procedures to govern the selection of
12 qualified projects and the issuance and administration of loans
13 and other financial assistance provided by the Bank; and

14 (2) Fiscal controls and accounting procedures to ensure
15 proper accounting and reporting by the Bank and qualified
16 borrowers.

17 (j) Acquire, by purchase, lease, donation or other lawful
18 means, real or personal property and any interest therein.

19 (k) Sell, convey, pledge, lease, exchange, transfer and dispose
20 of all or any part of the property and assets of the Bank.

21 (l) Procure insurance, guarantees, letters of credit and other
22 forms of collateral or security or credit support for the payment of
23 bonds or other securities issued by the Bank and the payment of
24 premiums or fees on such insurance, guarantees, letters of credit
25 and other forms of collateral or security or credit support.

26 (m) Collect or authorize the trustee under any trust indenture
27 that secures any bonds or other securities issued by the Bank to
28 collect amounts due from a qualified borrower under any loan
29 obligation owned by the Bank, including, without limitation,
30 taking any lawful action required to obtain payment of any sums
31 in default.

32 (n) Unless restricted by the terms of an agreement with the
33 holders of bonds or other securities issued by the Bank, consent to
34 any modification of the terms of any loan obligations owned by the
35 Bank, including, without limitation, the rate of interest, period of
36 repayment and payment of any installment of principal or interest.

37 (o) Borrow money through the issuance of bonds and other
38 securities as provided in sections 2 to 36, inclusive, of this act.

39 (p) Incur expenses to obtain accounting, management, legal or
40 financial consulting and other professional services necessary to
41 the operations of the Bank.

42 (q) Pay any costs incurred for the administration of the
43 operations of the Bank.

44 (r) Establish advisory committees, which may include persons
45 from the private sector with banking and financial expertise.



1 (s) Procure insurance against losses in connection with the
2 Bank's property, assets or activities, including, without limitation,
3 insurance against liability for any act of the Bank or its employees
4 or agents, or establish cash reserves to enable the Bank to act as a
5 self-insurer against such losses.

6 (t) Impose and collect fees and charges in connection with the
7 activities of the Bank.

8 (u) Apply for, receive and accept from any source aid grants or
9 contributions of money, property, labor or other things of value to
10 be used to carry out the statutory purposes and powers of the
11 Bank.

12 (v) Enter into contracts, arrangements or agreements for the
13 servicing and processing of financial agreements.

14 (w) Accept and hold, with payment of interest, money
15 deposited with the Bank.

16 (x) Do all other things necessary or convenient to exercise any
17 power granted or reasonably implied by sections 2 to 36, inclusive,
18 of this act.

19 2. Except as otherwise provided in sections 2 to 36, inclusive,
20 of this act, the Bank may exercise any fiscal power granted to the
21 Bank in sections 2 to 36, inclusive, of this act, without the review
22 or approval of any other department, division or agency of the
23 State or any political subdivision thereof, except for the Board of
24 Directors.

25 3. This section does not authorize the Bank to be or conduct
26 business as a:

27 (a) Bank or trust company within the jurisdiction of title 55 of
28 NRS or under the control of an agency of United States or this
29 State; or

30 (b) Bank, banker or dealer in securities within the meaning of,
31 or subject to the provisions of, any securities, securities exchange
32 or securities dealers' laws of the United States or of this State.

33 4. The Bank must, before accepting a deposit from any
34 person or governmental unit, provide a notice to the depositor
35 stating that the deposit is not insured by the Federal Deposit
36 Insurance Corporation.

37 5. The provisions of title 55 of NRS do not apply to the Bank.

38 **Sec. 22.** 1. The Governor shall appoint an Executive
39 Director of the Bank. The Executive Director is in the unclassified
40 service of the State and serves at the pleasure of the Governor.

41 2. The Executive Director shall administer, manage and
42 conduct the business and affairs of the Bank subject to the
43 direction of the Board of Directors, any conditions that the Board
44 of Directors may from time to time prescribe or as delegated by the
45 Board of Directors. Except as otherwise provided in this



1 subsection, the Executive Director may exercise any power,
2 function or duty conferred by law on the Bank in connection with
3 the administration, management and conduct of the business and
4 affairs of the Bank, including, without limitation:

5 (a) Hiring such employees in either the classified or
6 unclassified service of the State as are necessary to carry out the
7 statutory purposes and powers of the Bank.

8 (b) Entering into contracts concerning investments,
9 guarantees or credit enhancements.

10 (c) Establishing procedures, guidelines, criteria, terms,
11 conditions or other requirements of any contract, bond, loan,
12 grant or program in order to carry out the intents and purposes of
13 the Bank in authorizing the contract, bond, loan, grant or other
14 program.

15 (d) Declining to guarantee any risk or to enter into any
16 contract.

17 (e) Reinsuring any risk or any part of any risk, as provided in
18 section 26 of this act.

19 (f) Making rules for payments through the Bank and
20 determining to whom and through whom the payments are to be
21 made.

22 (g) Investing and reinvesting any money belonging to the
23 Bank.

24 (h) Entering into any contract or agreement, executing any
25 instrument, conducting all business and affairs and performing
26 any act necessary or convenient to carrying out the statutory
27 purposes and powers of the Bank.

28 (i) Executing any instrument or performing any act necessary
29 or convenient to carry out his or her duties pursuant to sections 2
30 to 36, inclusive, of this act.

31 **Sec. 23. 1. The State Infrastructure Bank Fund is hereby**
32 **created as an enterprise fund. The Fund is a continuing fund**
33 **without reversion.**

34 **2. The Fund is administered by the Board of Directors.**

35 **3. The Board of Directors may establish accounts and**
36 **subaccounts within the Fund, but shall establish, without**
37 **limitation:**

38 (a) A federal highway account;

39 (b) A federal nonhighway account;

40 (c) A state and local highway account;

41 (d) A state and local nonhighway account;

42 (e) A state and local utility infrastructure account; and

43 (f) A federal utility infrastructure account.



1 4. *Except as otherwise provided in subsection 7, all money*
2 *received by the Bank pursuant to sections 2 to 36, inclusive, of this*
3 *act must be deposited in the Fund.*

4 5. *The Bank may accept for deposit into the Fund:*

5 (a) *Any money appropriated by the Legislature or authorized*
6 *for allocation by the Interim Finance Committee;*

7 (b) *Federal funds made available to the State;*

8 (c) *Gifts, grants, donations and contributions from a*
9 *governmental unit, private entity or any other source;*

10 (d) *Any money paid or credited to the Bank, by contract or*
11 *otherwise, including, without limitation:*

12 (1) *Payment of principal and interest on a loan or other*
13 *financial assistance provided to a qualified borrower by the Bank;*
14 *and*

15 (2) *Interest earned from the investment or reinvestment of*
16 *the Bank's money pursuant to section 26 of this act;*

17 (e) *Proceeds from the issuance of bonds or other securities*
18 *pursuant to section 21 of this act; and*

19 (f) *Any other lawful source of money that is made available to*
20 *the Bank and is not already dedicated for another purpose.*

21 6. *The Bank shall comply with all applicable federal laws*
22 *governing the use of federal funds, including, without limitation,*
23 *statutes and regulations governing:*

24 (a) *Any conditions or limitations on expenditures;*

25 (b) *Reporting; and*

26 (c) *The commingling of federal funds.*

27 7. *Earnings on balances in the federal accounts must be*
28 *credited and invested in accordance with federal law. Earnings on*
29 *state and local accounts must be deposited in the Fund to the*
30 *credit of the state and local highway account, state and local*
31 *nonhighway account or state and local utility infrastructure*
32 *account that generates the earnings.*

33 8. *Money in the Fund may be used only:*

34 (a) *For the capitalization of the Bank; and*

35 (b) *To carry out the statutory purposes and powers of the*
36 *Bank.*

37 9. *A local government may use money from any source that is*
38 *made available to the local government for the purposes of*
39 *developing, constructing, improving, operating or owning a*
40 *transportation facility or utility infrastructure project or for any*
41 *other purpose set forth in sections 2 to 36, inclusive, of this act, to*
42 *make a gift, grant, donation or contribution to the Bank or to*
43 *satisfy any obligation owed by the local government to the Bank,*
44 *including, without limitation, payments of principal and interest.*



1 **Sec. 24. 1.** *A governmental unit, or an entity established by*
2 *agreement between a governmental unit and a private entity, that*
3 *wishes to obtain a loan or other financial assistance from the*
4 *Bank to develop, construct, improve, operate or own an eligible*
5 *project must apply to the Bank in the manner prescribed by the*
6 *Bank.*

7 **2.** *The Executive Director shall:*

8 **(a)** *Review each application and determine whether the*
9 *transportation facility or utility infrastructure described in the*
10 *application is an eligible project; and*

11 **(b)** *At the request of the Board of Directors, submit*
12 *information to the Board of Directors concerning any eligible*
13 *project.*

14 **3.** *The Board of Directors shall, from time to time, designate*
15 *qualified projects from among the eligible projects. The Board of*
16 *Directors may give preference to an eligible project that has*
17 *demonstrated local financial support.*

18 **4.** *The Bank may provide a loan and other financial*
19 *assistance to a qualified borrower to pay for all or part of the*
20 *eligible costs of a qualified project. The term of the loan or other*
21 *financial assistance may not exceed the anticipated useful life of*
22 *the qualified project. A loan or other financial assistance may be*
23 *provided in anticipation of reimbursement for or direct payment of*
24 *all or part of the eligible costs of a qualified project.*

25 **5.** *The Bank shall determine the form and content of a loan*
26 *application, financing agreement or loan obligation, including,*
27 *without limitation:*

28 **(a)** *The period for repayment and the rate or rates of interest*
29 *on a loan; and*

30 **(b)** *Any nonfinancial provisions included in a financing*
31 *statement or loan obligation, including, without limitation, terms*
32 *and conditions relating to the regulation and supervision of a*
33 *qualified project.*

34 **6.** *The terms and conditions set forth in a financing*
35 *agreement or loan obligation for a loan or other financial*
36 *assistance provided by the Bank using money from a federal*
37 *account must comply with all applicable federal requirements.*

38 **Sec. 25. 1.** *A qualified borrower that wishes to obtain a*
39 *loan or other financial assistance from the Bank must enter into a*
40 *financing agreement with the Bank and may be required to issue*
41 *a loan obligation to the Bank.*

42 **2.** *A qualified borrower may, in addition to any authorization*
43 *set forth in this section, use any authorization granted by any*
44 *other statute that allows the qualified borrower to borrow money*
45 *and issue obligations in obtaining a loan or other financial*



1 *assistance from the Bank to the extent determined necessary or*
2 *useful by the qualified borrower in connection with any financing*
3 *agreement or the issuance, securing or sale of a loan obligation to*
4 *the Bank.*

5 *3. A qualified borrower may:*

6 *(a) Receive, apply, pledge, assign and grant security interests*
7 *in its project revenues to secure its loan obligations as provided in*
8 *sections 2 to 36, inclusive, of this act; and*

9 *(b) Impose and collect fees, rates, rents, assessments and other*
10 *charges of general or special application for the operation of a*
11 *qualified project, the system of which the qualified project is a part*
12 *and any other revenue producing facilities from which the*
13 *qualified borrower derives project revenues to meet its loan*
14 *obligations under a financing agreement or to otherwise provide*
15 *for the development, construction, improvement, operation or*
16 *ownership of a qualified project.*

17 **Sec. 26. 1. The Bank may provide insurance or**
18 **reinsurance of loans or portions thereof, or their debt service,**
19 **including, without limitation, amounts payable as premiums or**
20 **penalties in the event of mandatory or optional prepayment, made**
21 **to finance a qualified project, and to provide insurance or**
22 **reinsurance or reserves, or portions thereof, or the yield**
23 **therefrom, established to secure bonds or other securities issued to**
24 **fund those loans or reserves.**

25 *2. The Bank may:*

26 *(a) Arrange an agreement for insurance or reinsurance with a*
27 *user, mortgagor, lending institution, insurer or any other entity*
28 *authorized to arrange such agreements in this State; and*

29 *(b) Enter into an agreement for insurance or reinsurance with*
30 *any insurer authorized to reinsure or insure such risks in this*
31 *State.*

32 *3. The Bank may fix a rate or rates of premium for insurance*
33 *or reinsurance. The rates are not required to be uniform and may*
34 *reflect any risk and classification of risk that the Bank determines*
35 *to be reasonable.*

36 *4. The Bank may exercise any other power that is necessary*
37 *or incidental to insurance, reinsurance and related matters.*

38 *5. The Bank shall make reasonable provisions for the*
39 *security of loans made by the Bank, and any insurance,*
40 *reinsurance and other financing arrangements negotiated by the*
41 *Bank.*

42 *6. Any insurance or reinsurance provided by the Bank does*
43 *not constitute a debt or pledge of the faith and credit of the State*
44 *or any subdivision of the State.*



1 7. *For the purposes of this section, the Bank shall be deemed*
2 *to be an authorized insurer, as defined in NRS 679A.030, and a*
3 *reinsurer, as defined in NRS 681A.370, and authorized to transact*
4 *insurance or reinsurance on the same basis as the holder of a*
5 *certificate of authority issued by the Commissioner of Insurance*
6 *pursuant to chapter 679B of NRS.*

7 **Sec. 27.** *The Bank may provide security for any issue of*
8 *revenue bonds by the Bank through any commonly accepted*
9 *financial instrument, including, without limitation:*

10 1. *A deed of trust on the resources, facilities and revenues of*
11 *one or more qualified projects financed by the Bank;*

12 2. *A credit enhancement, including, without limitation, a*
13 *letter of credit, bond insurance or surety bond provided by a*
14 *private financial institution; and*

15 3. *Insurance, reinsurance or a guarantee provided by the*
16 *Bank itself.*

17 **Sec. 28.** 1. *Any obligation to a third person made by the*
18 *Bank, including, without limitation, a bond or other security*
19 *issued by the Bank pursuant to section 21 of this act and any*
20 *insurance, reinsurance or reserve provided by the Bank pursuant*
21 *to section 26 of this act:*

22 (a) *Does not constitute a debt, liability or obligation of this*
23 *State or any political subdivision thereof, or a pledge of the faith*
24 *and credit of this State or any political subdivision thereof, but is*
25 *payable solely from the revenues or assets of the Bank; and*

26 (b) *Must contain on the face thereof a statement to the effect*
27 *that the Bank is not obligated to pay the obligation or any interest*
28 *thereon except from the revenues or assets, if any, pledged*
29 *therefor and that neither the faith and credit nor the taxing power*
30 *of this State or any political subdivision thereof is pledged to the*
31 *payment of the principal of or the interest on the obligation.*

32 2. *Except as otherwise provided in subsection 3, this section*
33 *does not prohibit the Bank from:*

34 (a) *Pledging the full faith and credit of the Bank for the*
35 *satisfaction of any obligation to a third person made by the Bank;*
36 *or*

37 (b) *Issuing a bond guarantee or credit enhancement for bonds*
38 *issued by a qualified borrower.*

39 3. *Notwithstanding any provision in sections 2 to 36,*
40 *inclusive, of this act to the contrary, the Bank shall not act as a*
41 *surety or guarantor for a private utility or any other private*
42 *company, association or corporation.*

43 **Sec. 29.** 1. *Except as otherwise provided in this section, if a*
44 *qualified borrower that has obtained a loan or other financial*
45 *assistance from the Bank fails to remit in full any amount due to*



1 *the Bank on the date on which the amount is due under the terms*
2 *of any note or other loan obligation given to the Bank by the*
3 *qualified borrower, the Bank shall notify the appropriate state*
4 *agencies or officers, including, without limitation, the State*
5 *Controller, who shall withhold all or a portion of any state money*
6 *or other money administered by the State and its agencies, boards*
7 *and instrumentalities that is allotted or appropriated to the*
8 *qualified borrower and apply an amount necessary to the payment*
9 *of the amount due.*

10 *2. This section does not authorize the State or an agency,*
11 *board or instrumentality thereof, or the State Controller, to*
12 *withhold any money allocated or appropriated to a qualified*
13 *borrower if to do so would violate the terms of:*

14 *(a) An appropriation by the Legislature;*

15 *(b) The terms of any federal law;*

16 *(c) The terms of a contract to which the State is a party; or*

17 *(d) A judgment of a court that is binding upon the State.*

18 **Sec. 30.** *The Board of Directors and any member thereof,*
19 *and any officer, employee, agent or committee member of the*
20 *Bank is not liable in a civil action for any act performed on behalf*
21 *of the Bank in good faith and within the scope of their duties or*
22 *the exercise of their authority pursuant to sections 2 to 36,*
23 *inclusive, of this act.*

24 **Sec. 31.** *Except as otherwise provided in sections 2 to 36,*
25 *inclusive, of this act, and notwithstanding any other provision of*
26 *law, the Bank is not required to provide any notice or publication*
27 *or to conduct any hearing or other proceeding before performing*
28 *any act authorized in sections 2 to 36, inclusive, of this act.*

29 **Sec. 32.** *The Bank is an instrumentality of this State, and its*
30 *property and income are exempt from all taxation by this State*
31 *and any political subdivision thereof.*

32 **Sec. 33. 1.** *Except as otherwise provided in subsection 2,*
33 *bonds and other securities issued by the Bank pursuant to the*
34 *provisions of sections 2 to 36, inclusive, of this act, their transfer*
35 *and the income therefrom must forever be and remain free and*
36 *exempt from taxation by this State or any subdivision thereof.*

37 *2. The provisions of subsection 1 do not apply to the tax on*
38 *estates imposed pursuant to the provisions of chapter 375A of NRS*
39 *or the tax on generation-skipping transfers imposed pursuant to*
40 *the provisions of chapter 375B of NRS.*

41 **Sec. 34.** *Notwithstanding any provision in sections 2 to 36,*
42 *inclusive, of this act to the contrary, sections 2 to 36, inclusive, of*
43 *this act are supplemental to, and not in lieu of, the right of any*
44 *qualified borrower to issue general obligation bonds or other*



1 *bonds that the qualified borrower is otherwise lawfully authorized*
2 *to issue.*

3 **Sec. 35.** *To the extent possible, the provisions of sections 2 to*
4 *36, inclusive, of this act are intended to supplement other statutory*
5 *provisions governing the development, construction, improvement,*
6 *operation and ownership of transportation facilities and utility*
7 *infrastructure projects and the issuance of bonds and other*
8 *securities by this State or a political subdivision thereof, and such*
9 *other provisions must be given effect to the extent that those*
10 *provisions do not conflict with the provisions of sections 2 to 36,*
11 *inclusive, of this act. If there is a conflict between such other*
12 *provisions and the provisions of sections 2 to 36, inclusive, of this*
13 *act, the provisions of sections 2 to 36, inclusive, of this act control.*

14 **Sec. 36.** *The Board of Directors shall, not later than 90 days*
15 *after the end of each fiscal year:*

16 1. *Prepare a report on the operations of the Bank during that*
17 *year.*

18 2. *Submit the report prepared pursuant to subsection 1 to:*

19 (a) *The Governor; and*

20 (b) *The Director of the Legislative Counsel Bureau for*
21 *transmittal to:*

22 (1) *If the report is prepared in an even-numbered year, the*
23 *next regular session of the Legislature; or*

24 (2) *If the report is prepared in an odd-numbered year, the*
25 *Legislative Commission.*

26 **Sec. 37.** *NRS 341.017 is hereby amended to read as follows:*

27 341.017 1. *There is hereby created the State Public Works*
28 *Division of the Department of Administration.*

29 2. *The Division consists of:*

30 (a) *The Administrator;*

31 (b) *The Buildings and Grounds Section;*

32 (c) *The Public Works - Compliance and Code Enforcement*
33 *Section;*

34 (d) *The Public Works - Professional Services Section; ~~and~~*

35 (e) *The State Public Works Board ~~;~~ and*

36 (f) *The Board of Directors of the Nevada State Infrastructure*
37 *Bank.*

38 3. *The Division shall, subject to the administrative supervision*
39 *of the Director of the Department, administer the provisions of this*
40 *chapter and NRS 331.010 to 331.145, inclusive.*

41 **Sec. 38.** *The provisions of subsection 1 of NRS 218D.380 do*
42 *not apply to any provision of this act which adds or revises a*
43 *requirement to submit a report to the Legislature.*



1 **Sec. 39.** 1. This act becomes effective upon passage and
2 approval for the purposes of establishing the Nevada State
3 Infrastructure Bank and appointing the Board of Directors.

4 2. For all other purposes, this act becomes effective on the date
5 on which the Administrator of the Public Works Division of the
6 Department of Administration notifies the Governor and the
7 Director of the Legislative Counsel Bureau that sufficient money is
8 available to capitalize and carry out the business of the Nevada State
9 Infrastructure Bank created by section 20 of this act.

⑩



* A B 3 9 9 *