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## Public Entities, Officers, and Employees; Securities

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## **Public Entities, Officers, and Employees; sale of government securities**

NEV. REV. STAT. §§350.618, 350.620, 350.622, 350.624, 350.626 (repealed); §350.616 (amended).

AB 403 (Committee on Governmental Affairs); 1983 STAT. Ch 255  
(Effective May 12, 1983)

Pursuant to prior law, private sales of bonds<sup>1</sup> could only be made to the federal government or to the state unless otherwise authorized.<sup>2</sup> Chapter 255 changes the law to permit the issuance of bonds and interim debentures<sup>3</sup> at a public or private sale.<sup>4</sup>

Prior law required notice to be given before any public sale of securities.<sup>5</sup> In addition, guidelines were established to govern the bidding process.<sup>6</sup> These guidelines required sealed bids<sup>7</sup> and deposits,<sup>8</sup> and created procedures for the acceptance and forfeiture of a bid.<sup>9</sup> Chapter 255 repeals these provisions.<sup>10</sup>

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1. See NEV. REV. STAT. §350.572(3) (definition of bond).

2. 1973 Nev. Stat. c. 403, §4, at 560 (amending NEV. REV. STAT. §350.616).

3. NEV. REV. STAT. §350.572(5) (description of interim debenture). Compare *id.* §350.616(1) (amended by 1983 Nev. Stat. c. 255, §1, at 593) with 1973 Nev. Stat. c. 403, §4, at 560 (amending NEV. REV. STAT. §350.616).

4. NEV. REV. STAT. §350.616(1) (amended by 1983 Nev. Stat. c. 255, §1, at 593). Existing law also allows the issuance of notes at a public or private sale. *Id.*

5. See 1981 Nev. Stat. c. 420, §13.2, at 947 (amending NEV. REV. STAT. §350.618); 1967 Nev. Stat. c. 197, §164, at 433 (enacting NEV. REV. STAT. §350.620) (contents and procedures of required notice).

6. 1969 Nev. Stat. c. 681, §50, at 1593 (amending NEV. REV. STAT. §350.624).

7. 1971 Nev. Stat. c. 679, §39(2), at 2117 (amending NEV. REV. STAT. §350.622).

8. *Id.*

9. 1981 Nev. Stat. c. 420, §13.3, at 947 (amending NEV. REV. STAT. §350.626).

10. 1983 Nev. Stat. c. 255, §2, at 594 (repealing NEV. REV. STAT. §§350.618, 350.620, 350.622, 350.624, 350.626).

## **Public Entities, Officers, and Employees; securities**

NEV. REV. STAT. §§355.140, 356.020, 356.125, 662.035 (amended).  
SB 383 (Committee on Governmental Affairs); 1983 STAT. Ch 395

Under existing law, all money deposited by the State Treasurer in a bank, credit union, or savings and loan association must be secured by

collateral.<sup>1</sup> With the enactment of Chapter 395, the depository bank, credit union or savings and loan association is authorized to pledge or pool a number of securities<sup>2</sup> to serve as collateral for the money deposited by one or more governmental entities.<sup>3</sup> Prior law required the face or par value<sup>4</sup> of any security used as collateral to be at least equal to the value of the money deposited.<sup>5</sup> When a promissory note<sup>6</sup> with a first mortgage<sup>7</sup> or first deed of trust<sup>8</sup> was used as collateral, however, the par value must have been equal to twice the amount of the money deposited.<sup>9</sup> Under Chapter 395 the *fair market value*<sup>10</sup> of the security must be at least equal to the value of the money deposited.<sup>11</sup> In addition, Chapter 395 requires that the fair market value of a promissory note with a first mortgage or deed of trust is equal to one-half the unpaid principal on the note.<sup>12</sup> Furthermore, when pools of securities are used as collateral, the total fair market value of the securities comprising the pool must equal at least the amount of deposit by the governmental entity.<sup>13</sup>

Prior to the enactment of Chapter 395, all securities used as collateral were required to be approved in writing by the State Treasurer.<sup>14</sup> Chapter 395 provides that these securities are now subject only to review by the State Treasurer and the State Board of Finance.<sup>15</sup> Consequently, written approval is no longer required.<sup>16</sup> Chapter 395 also requires a depository bank, credit union or savings and loan association holding the deposit of state money to file monthly reports with the State Treasurer.<sup>17</sup> These reports must include (1) the securities that

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1. NEV. REV. STAT. §356.020 (amended by 1983 Nev. Stat. c. 395, §2(1), at 961).

2. *Id.* §90.090 (definition of securities); see *id.* §356.020(1) (amended by 1983 Nev. Stat. c. 395, §2(1), at 961) (collateral may be composed of the following types of securities: (1) obligations of the United States, (2) bonds of Nevada, (3) bonds of any county, municipality or school district within Nevada, (4) promissory notes secured by first mortgages or first deeds of trust which meet the requirements of NEV. REV. STAT. §356.025 or (5) instruments in which the state is permitted by NEV. REV. STAT. §355.140 to invest).

3. 1983 Nev. Stat. c. 395, §2(3), at 963.

4. *Smith v. State*, 56 So. 79, 80 (1911); *Whelan v. Conroy*, 10 A. 636, 640 (1940) (definition of par value).

5. 1981 Nev. Stat. c. 624, §6(3), at 1365 (amending NEV. REV. STAT. §356.020).

6. NEV. REV. STAT. §104.3104 (definition of note).

7. *Id.* §§106.010-106.290 (definition of mortgage).

8. *Id.* §107.020 (definition of first deed of trust).

9. 1981 Nev. Stat. c. 624, §6(3), at 1365 (amending NEV. REV. STAT. §356.020).

10. *Cornish v. United States*, 221 F. Supp. 514, 517 (1963) (definition of fair market value).

11. 1983 Nev. Stat. c. 395, §2(4), at 963.

12. See *id.* c. 395, §2(4), at 963.

13. *Id.*

14. 1981 Nev. Stat. c. 624, §6(4), at 1365 (amending NEV. REV. STAT. §356.020).

15. Compare NEV. REV. STAT. §356.020 (amended by 1983 Nev. Stat. c. 395, §2(5), at 963) with 1981 Nev. Stat. c. 624, §6(4), at 1395 (amending NEV. REV. STAT. §356.020).

16. See NEV. REV. STAT. §356.020 (amended by 1983 Nev. Stat. c. 395, §2, at 962).

17. 1983 Nev. Stat. c. 395, §2(5), at 963.

constitute the collateral, (2) the fair market value of these securities, and (3) if the collateral is a pool of securities, the total amount of the deposit that the pool secures.<sup>18</sup>

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18. *Id.*

## Public Entities, Officers, and Employees; municipal judges

NEV. REV. STAT. §§2.345, 4.345, 5.010, 5.020, 5.023, 5.025, 5.026, 5.030, 5.040, 5.060, 169.095, 171.188, 218.500, 266.405, 266.455, 266.540, 266.545, 266.570, 266.580, 266.585, 345.010, 345.020, 345.040, 455.020, 455.030, 455.060, 484.803, 697.340 (amended).  
SB 387 (Committee on Judiciary); 1983 STAT. Ch 374

Chapter 374 redesignates police judges of municipal courts<sup>1</sup> as municipal judges.<sup>2</sup> Existing law requires that municipal judges be chosen by the electors of their respective cities.<sup>3</sup> Chapter 374, however, provides an additional method for selecting a municipal judge.<sup>4</sup> With the enactment of Chapter 374, the governing body of the city, acting with the consent of the Board of County Commissioners and the justice of the peace, is authorized to designate a justice of the peace as *ex officio* municipal judge of the city.<sup>5</sup>

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1. NEV. REV. STAT. §5.050 (jurisdiction of the municipal court).

2. *Id.* §§2.345, 4.345, 5.010, 5.020, 5.023, 5.025, 5.026, 5.030, 5.040, 5.060, 169.095, 171.188, 218.500, 266.405, 266.455, 266.540, 266.545, 266.570, 266.580, 266.585, 345.010, 345.020, 345.040, 455.020, 455.030, 455.060, 484.803, 697.340 (amended by 1983 Nev. Stat. c. 374, §§1-27, at 899-906).

3. *Id.* §5.020 (amended by 1983 Nev. Stat. c. 374, §2, at 899).

4. *Id.* §§5.020(2), 266.405(3), 266.545(2) (amended by 1983 Nev. Stat. c. 374, §§2(2), 13.5(3), 16(2), at 899); *see* State *ex rel.* Rosenstock *v.* Swift, 11 Nev. 128, 139 (1876). When the duties imposed upon city officers are of the same character as those imposed upon county officers, there is no absolute constitutional prohibition against consolidating the offices. *Id.*

5. *Compare* NEV. REV. STAT. §§5.020(2), 266.405(3), 266.545(2) (amended by 1983 Nev. Stat. c. 374, §§2(2), 13.5(3), 16(2), at 899) *with* 1955 Nev. Stat. c. 4856, §36, at 1398 (amending NEV. REV. STAT. §5.020), 1951 Nev. Stat. c. 47, §1, at 53 (amending NEV. REV. STAT. §266.405), 1977 Nev. Stat. c. 98, §1.7, at 201 (amending NEV. REV. STAT. §266.545).