Subject: BDR 30-564 / AB 387

This is what I wrote yesterday to Marty Johnson and Christine Vuletich:

I agree that the bill deserves a quick death. NRS 350.020(3) is left untouched (which allows general obligation revenue bonds to be issued after a petition period without an election); yet, the definition of "bond" in subsection 4 of Section 1 includes any evidence of borrowing by a municipality, whether a general or special obligation, that is issued pursuant to the provisions of Chapter 350 (which includes almost all local government bonds as well as medium-term bonds), Chapter 244, 244A (which are county bonds), 268 (which are city bonds), 269 (which are unincorporated town bonds), 271 (which are special assessment bonds), 318 (which are GID bonds), or 387 (which are school district bonds), including bonds, notes, debentures, warrants and certificates.

Apparently, the bill requires that not only general obligation bonds, but straight revenue bonds, medium-term obligations, special assessment bonds and interim warrants be approved by a two-thirds majority vote of the people. A two-thirds majority vote allows the minority to control the passage of the ballot question, rather than allowing the majority to rule. If the ballot question fails, it cannot be brought back to the electorate for five years, even if an emergency exists.

In Nevada law, there already exists statutory prohibitions on using bond proceeds or tax proceeds which have been approved by the voters for a particular purpose for a purpose that is other than the purpose for which the tax or bonds have been approved.

These are my "first-reading" comments. I will discuss it some more with my partners.

Jennifer Stern Sherman & Howard L.L.C.

