ASSEMBLY BILL NO. 306–ASSEMBLYMEN GIUNCHIGLIANI, BUCKLEY, ARBERRY, ANDERSON, BACHE, FREEMAN, TIFFANY, PARNELL, DE BRAGA, WILLIAMS, PARKS, SEGERBLOM, COLLINS, MANENDO, OHRENSCHALL AND GOLDWATER

FEBRUARY 23, 1999

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing community redevelopment. (BDR 22-15)

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

~

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

AN ACT relating to community redevelopment; revising the provisions governing community redevelopment; restricting the power of eminent domain of a redevelopment agency in certain counties; authorizing the creation of advisory councils for redevelopment within redevelopment areas; requiring the funding of such councils in certain counties; revising the definition of a blighted area; providing for the appointment of citizens' advisory boards; revising the provisions governing a rehousing bureau; revising the provisions governing the setting aside of money for low-income housing in certain cities; making various changes relating to relocation benefits; and providing other matters properly relating thereto.

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

**Section 1.** Chapter 279 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

**Sec. 2.** ***In a county whose population is 100,000 or more, an agency shall not exercise the power of eminent domain for redevelopment unless the general public, as the primary beneficiary, will receive and enjoy specific and substantial benefits from the use of the property to be taken. If the exercise of the power of eminent domain will benefit a specific and identifiable private interest, the agency must, before exercising the power, make a written finding supported with specific facts that the exercise of the power of eminent domain is necessary in the specific case.***

**Sec. 3.** ***1. An agency may create one or more residential plans for areas within the redevelopment area. Each area must be coterminous with a census tract. The agency may create an advisory council for redevelopment in each area so created. Such a council may propose its plan and requested budget for the redevelopment of the area to the agency.***

***2. Except as otherwise provided in subsection 3, the agency may include in its budget money for use by an advisory council to carry out the plan of the council.***

***3. In a county whose population is 100,000 or more, the agency shall set aside in its budget at least 5 percent of the money budgeted for redevelopment for use by such advisory councils to carry out the plans of the councils.***

**Sec. 4.** NRS 279.382 is hereby amended to read as follows:

279.382 The provisions contained in NRS 279.382 to 279.685, inclusive, ***and sections 2 and 3 of this act*** may be cited as the Community Redevelopment Law.

**Sec. 5.** NRS 279.388 is hereby amended to read as follows:

279.388 "Blighted area" means an area which is characterized by one or more of the following factors:

1. The existence of buildings and structures, used or intended to be used for residential, commercial, industrial or other purposes, or any combination thereof, which are unfit or unsafe for those purposes and are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime ***, or which retard the development of adequate housing or constitute an economic or social liability and are a menace to the public health, safety or welfare in their present condition and use,*** because of one or more of the following factors:

(a) Defective design and character of physical construction ***;*** ~~[.]~~

(b) Faulty arrangement of the interior and spacing of buildings ***;*** ~~[.]~~

(c) Overcrowding ***;*** ~~[.]~~

(d) Inadequate provision for ventilation, light, sanitation, open spaces and recreational facilities ***;*** ~~[.]~~

(e) Age, obsolescence, deterioration, dilapidation, mixed character or shifting of uses ~~[.]~~ ***; or***

***(f) An inability to pay for improvements to such buildings and structures through a general improvement district or because of an inadequate tax base.***

2. An economic dislocation, deterioration or disuse, resulting from faulty planning.

3. The subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development.

4. The laying out of lots ~~[in]~~ ***:***

*(a) In* disregard of the contours and other physical characteristics of the ground and surrounding conditions ~~[.]~~ *; or*

*(b) That are faulty in size, accessibility or usefulness.*

5. The existence of inadequate streets, open spaces and utilities.

6. The existence of lots or other areas which may be submerged.

7. Prevalence of depreciated values, impaired investments and social and economic maladjustment to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered.

8. A growing or total lack of proper utilization of some parts of the area, resulting in a stagnant and unproductive condition of land which is potentially useful and valuable for contributing to the public health, safety and welfare.

9. A loss of population and a reduction of proper use of some parts of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

***10. Delinquency of taxes or special assessments exceeding the fair market value of the land.***

***11. Defective or unusual conditions of title.***

***12. The existence of conditions which endanger life or property by fire or other causes.***

**Sec. 6.** NRS 279.422 is hereby amended to read as follows:

279.422 It is further found and declared that ~~[blighted areas may include housing areas constructed as temporary government-owned wartime housing projects, and that such areas may be characterized by one or more of the conditions enumerated in NRS 279.388.]~~ ***:***

***1. Redevelopment will stimulate residential and commercial construction that is closely correlated with general economic activity; and***

***2. Undertakings authorized by the Community Redevelopment Law will:***

***(a) Assist in the production of better housing and commercial development and a more desirable development of stable neighborhoods and communities at lower costs; and***

***(b) Provide more residential and commercial construction, which will assist substantially in maintaining full employment.***

**Sec. 7.** NRS 279.444 is hereby amended to read as follows:

279.444 1. As an alternative to the appointment of five members of the agency, the legislative body may, at the time of the adoption of a resolution pursuant to NRS 279.428, or at any time thereafter, declare itself to be the agency, in which case, all the rights, powers, duties, privileges and immunities vested by NRS 279.382 to 279.685, inclusive, in an agency are vested in the legislative body of the community. If the legislative body of a city declares itself to be the agency pursuant to this subsection, it may include the mayor of the city as part of the agency regardless of whether he is a member of the legislative body. ***In addition, the mayor of a city or the chairman of a board of county commissioners in a county whose population is 100,000 or more shall, and in any other county may, with the approval of the legislative body, appoint a citizens' advisory board consisting of residents and owners of property in the community to advise the agency.***

2. A city may enact its own procedural ordinance and exercise the powers granted by NRS 279.382 to 279.685, inclusive.

~~[3. An agency is authorized to delegate to a community any of the powers or functions of the agency with respect to the planning or undertaking of a redevelopment project in the area in which that community is authorized to act, and that community may carry out or perform those powers or functions for the agency.]~~

**Sec. 8.** NRS 279.470 is hereby amended to read as follows:

279.470 Within the redevelopment area or for purposes of redevelopment an agency may:

1. Purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise or otherwise, any real or personal property, any interest in property and any improvements thereon.

2. ~~[Acquire]~~ ***Except as otherwise provided in section 2 of this act, acquire*** real property by eminent domain.

3. Clear buildings, structures or other improvements from any real property acquired.

4. Sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage, deed of trust or otherwise, or otherwise dispose of any real or personal property or any interest in property.

5. Insure or provide for the insurance of any real or personal property or operations of the agency against risks or hazards.

6. Rent, maintain, manage, operate, repair and clear such real property.

**Sec. 9.** NRS 279.476 is hereby amended to read as follows:

279.476 ***1.*** An agency may operate a rehousing bureau to assist site occupants in obtaining adequate ~~[temporary or permanent housing. It]~~ ***housing and places of business and*** may incur any necessary expenses for ~~[this]~~ ***that*** purpose.

***2. The rehousing bureau shall not select any housing or place of business that is not decent, safe and sanitary.***

***3. In a county whose population is 100,000 or more, the rehousing bureau shall pay the costs related to the replacement of the housing and places of business and the relocation of the occupants, except that if the***

***relocation is necessitated by the acquisition or destruction by the agency of real property that has been declared uninhabitable or a public nuisance, the costs related to the relocation of the occupants:***

***(a) Must be paid by the person who owned the property immediately before its acquisition by the agency; or***

***(b) If paid by the rehousing bureau, are recoverable from the person who owned the property immediately before its acquisition by the agency.***

**Sec. 10.** NRS 279.478 is hereby amended to read as follows:

279.478 1. An agency shall provide assistance for relocation and shall make all ~~[of]~~ the payments required ~~[in]~~ ***by chapter 342 of NRS and the*** regulations adopted by the director of the department of transportation pursuant ~~[to NRS 342.005]~~ ***thereto*** for programs or projects for which federal financial assistance is received to pay all or any part of the cost of that program or project.

2. This section does not limit any other authority which an agency may have to make other payments for assistance for relocation or to make any payment for that assistance which exceeds the amount authorized in regulations adopted by the director of the department of transportation pursuant to ***chapter 342 of*** NRS ***.*** ~~[342.105.]~~

**Sec. 11.** NRS 279.482 is hereby amended to read as follows:

279.482 1. An agency may obligate lessees or purchasers of property acquired in a redevelopment project to:

(a) Use the property for the purpose designated in the redevelopment plans.

(b) Begin the redevelopment of the area within a period of time which the agency fixes as reasonable.

(c) Comply with other conditions which the agency deems necessary to carry out the purposes of NRS 279.382 to 279.685, inclusive ~~[.]~~ ***, including, without limitation, the provisions of an employment plan or a contract approved for a redevelopment project.***

2. As appropriate for the particular project, each proposal for a redevelopment project must also include an employment plan. The employment plan must include:

(a) A description of the existing opportunities for employment within the area;

(b) A projection of the effect that the redevelopment project will have on opportunities for employment within the area; and

(c) A description of the manner in which an employer relocating his business into the area plans to employ persons living within the area of operation who are:

(1) Economically disadvantaged;

(2) Physically handicapped;

(3) Members of racial minorities;

(4) Veterans; or

(5) Women.

**Sec. 12.** NRS 279.566 is hereby amended to read as follows:

279.566 1. Every redevelopment plan must provide for the participation in the redevelopment of property in the redevelopment area by the owners of all or part of that property ***.*** ~~[if]~~ ***If*** the owners agree to participate in conformity with the redevelopment plan adopted by the legislative body for the area ~~[.]~~ ***, the agency may establish a plan that provides incentives, including, without limitation, financing, to assist an owner in complying with the plan.***

2. With respect to each redevelopment area, each agency shall, before the adoption of the redevelopment plan, adopt and make available for public inspection rules to implement the operation of this section in connection with that plan.

3. Every redevelopment plan must contain ~~[alternative]~~ provisions for redevelopment of the property if the owners fail to participate in the redevelopment ***.*** ~~[as agreed.]~~

**Sec. 13.** NRS 279.680 is hereby amended to read as follows:

279.680 ~~[In]~~ ***Except as otherwise provided in NRS 279.685, in*** any redevelopment plan, or in the proceedings for the advance of money, or ***the*** making of loans, or the incurring of any indebtedness, whether funded, refunded, assumed or otherwise, by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment project, the portion of taxes mentioned in paragraph (b) of subsection 1 of NRS 279.676 may be irrevocably pledged for the payment of the principal of and interest on those loans, advances or indebtedness.

**Sec. 14.** NRS 279.685 is hereby amended to read as follows:

279.685 1. Except as otherwise provided in subsection 2 ~~[or 3,]~~ ***, 3 or 4,*** an agency of a city whose population is 200,000 or more that receives ~~[revenue]~~ ***:***

***(a) Revenue*** from taxes pursuant to paragraph (b) of subsection 1 of NRS 279.676 ***; or***

***(b) Money from any other source, except proceeds from the issuance of bonds,***

shall set aside not less than 15 percent of that revenue ***or other money*** to increase, improve and preserve the number of dwelling units in the community for low-income households.

2. The obligation of an agency to set aside not less than 15 percent of the revenue from taxes allocated to and received by the agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is subordinate to any existing obligations of the agency. As used in this subsection, “existing obligations” means the principal and interest, when due, on any bonds, notes or other indebtedness whether funded, refunded, assumed or

otherwise incurred by the agency before July 1, 1993, to finance or refinance in whole or in part, the redevelopment of a redevelopment area. For the purposes of this subsection, obligations incurred by an agency after July 1, 1993, shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.

3. ***The obligation of an agency to set aside not less than 15 percent of the money received by the agency from any other source, except proceeds from the issuance of bonds, is subordinate to any existing obligations of the agency and, if the money is acquired by gift, grant or bequest, to any term or condition included in the gift, grant or bequest concerning the use of the money. As used in this subsection, "existing obligations" means the principal and interest, when due, on any bonds, notes or other indebtedness whether funded, refunded, assumed or otherwise incurred by the agency before July 1, 1999, to finance or refinance in whole or in part, the redevelopment of a redevelopment area. For the purposes of this subsection, obligations incurred by an agency after July 1, 1999, shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.***

***4.*** The agency may expend or otherwise commit money for the purposes of subsection 1 outside the boundaries of the redevelopment area.

**Sec. 15.** NRS 342.045 is hereby amended to read as follows:

342.045 Before undertaking a project that will result in the displacement of a natural person or a business, each governmental body ***, or person acting on behalf of, under contract with or in cooperation with the governmental body,*** shall adopt policies pursuant to NRS 342.015 to 342.075, inclusive, to provide relocation assistance and make relocation payments to each person ***, whether an owner or a tenant, who is*** displaced from his dwelling or business establishment as a result of the acquisition of property in a manner substantially similar to and in amounts equal to or greater than those which are provided for in the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. §§ 4601-4655, and the regulations adopted pursuant thereto.

**Sec. 16.** NRS 342.055 is hereby amended to read as follows:

342.055 1. In addition to the relocation benefits provided pursuant to NRS 342.045, each person who is displaced from his business establishment as a result of the acquisition of property by an agency created pursuant to chapter 279 of NRS or by any person or entity acting on behalf of, in cooperation with or under contract with such an agency, and whose lease of the premises on which the establishment is situated is terminated as a consequence of the acquisition, must be paid:

(a) The actual, reasonable and necessary costs of alterations and other physical changes that are required to be made to a new location to render it suitable for the operation of the business;

(b) The actual, reasonable and necessary costs of modifications made to machinery, equipment and other personal property moved to the new location which were necessary for the operation of the business, except that such costs must not exceed the acquisition cost of the machinery, equipment and other personal property less accumulated depreciation;

(c) The prorated fees for any licenses, permits or certifications that must be obtained for the business to operate in the new location;

(d) The actual, reasonable and necessary fees for professional services incurred in connection with the acquisition of a replacement site, including the services of architects, appraisers, attorneys, engineers, realtors and other consultants; and

(e) A sum equal to:

(1) An amount which, when added to the amount that the tenant formerly paid in rent, will enable him to rent or lease a comparable business location on the current market for a term equal to the period that would have remained on his lease if it had not been terminated as a result of the acquisition of the property or 3 years, whichever is greater; or

(2) The fair market value of the business as determined in accordance with subsection 6 of NRS 37.009 if the business owner is unable to relocate his business establishment to a comparable new location because of the operation of a governmental ordinance, regulation or restriction or because a comparable business location is not available.

2. The provisions of this section do not apply to ***a*** month-to-month ~~[tenancies.]~~ ***tenancy, unless the property is located in a county whose population is 100,000 or more and the tenant has rented or leased the property continuously for at least 3 years. For the purposes of this subsection, a month-to-month tenancy is not created by the monthly payment of rent pursuant to a lease agreement that covers a period greater than 1 month.***

3. The provisions of this section do not apply to a business which executes an initial lease within 1 year before the approval of a development agreement or other similar action of a governmental body identifying the property that will be acquired, unless the business is renewing a lease on a site that it has occupied for more than 1 year before the identification of the property that will be acquired.

4. A governmental body may adopt ordinances or regulations or take any other appropriate action which allows a business to be relocated to a comparable business location.

5. As used in this section, "comparable business location" means a location that is decent, safe and sanitary, adequate in size for the needs of the displaced business, functionally equivalent for the purposes of the displaced business and located in an area not subject to unreasonably adverse environmental conditions.

6. Nothing contained in this section requires a governmental body to relocate a business to a location in a redevelopment area or an area similar to a redevelopment area, or to provide the benefits that a location in a redevelopment area would provide.

**Sec. 17.** This act becomes effective on July 1, 1999.

~