

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; restricting the power of eminent domain of a redevelopment agency in certain counties; revising the definition of a blighted area; authorizing the creation of advisory councils for redevelopment within redevelopment areas; authorizing the funding of such councils; 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:

- 1 **Section 1.** Chapter 279 of NRS is hereby amended by adding thereto a
2 new section to read as follows:
3 ***1. In a county whose population is 100,000 or more, an agency may***
4 ***exercise the power of eminent domain to acquire property for a***
5 ***redevelopment project only if:***
6 ***(a) The property sought to be acquired is necessary to carry out the***
7 ***redevelopment plan;***
8 ***(b) The agency has adopted a resolution of necessity that complies***
9 ***with the requirements set forth in subsection 2; and***
10 ***(c) The agency has made every reasonable effort to negotiate the***
11 ***purchase of the property.***
12 ***2. A resolution of necessity required pursuant to paragraph (b) of***
13 ***subsection 1 must set forth:***

1 (a) A statement that the property will be acquired for purposes of
2 redevelopment as authorized pursuant to subsection 17 of NRS 37.010
3 and subsection 2 of NRS 279.470;

4 (b) A reasonably detailed description of the property to be acquired;

5 (c) A finding by the agency that the public interest and necessity
6 require the acquisition of the property;

7 (d) A finding by the agency that acquisition of the property will be the
8 option for redevelopment that is most compatible with the greatest public
9 good and the least private injury; and

10 (e) A finding by the agency that acquisition of the property is
11 necessary for purposes of redevelopment.

12 3. After an agency adopts a resolution of necessity, the resolution so
13 adopted and the findings set forth in the resolution are final and
14 conclusive and are not subject to judicial review unless credible evidence
15 is adduced to suggest that the resolution or the findings set forth therein
16 were procured through bribery or fraud.

17 Sec. 2. NRS 279.382 is hereby amended to read as follows:

18 279.382 The provisions contained in NRS 279.382 to 279.685,
19 inclusive, and section 1 of this act may be cited as the Community
20 Redevelopment Law.

21 Sec. 3. NRS 279.388 is hereby amended to read as follows:

22 279.388 "Blighted area" means an area which is characterized by one
23 or more of the following factors:

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

31 (a) Defective design and character of physical construction ; ~~H~~

32 (b) Faulty arrangement of the interior and spacing of buildings ; ~~H~~

33 (c) Overcrowding ; ~~H~~

34 (d) Inadequate provision for ventilation, light, sanitation, open spaces
35 and recreational facilities ; ~~H~~

36 (e) Age, obsolescence, deterioration, dilapidation, mixed character or
37 shifting of uses ~~H~~ ; or

38 (f) An inability to pay for improvements to such buildings and
39 structures through a general improvement district or because of an
40 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 ~~that~~ :

(a) In disregard of the contours and other physical characteristics of the ground and surrounding conditions ~~that~~ ; 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. 4. NRS 279.438 is hereby amended to read as follows:

279.438 A redevelopment plan adopted before July 1, 1987, and any amendments to the plan must terminate at the end of the fiscal year in which the principal and interest of the last maturing of the securities issued before that date are fully paid or ~~at the time provided in NRS 279.439,] 45~~ *years after the date on which the original redevelopment plan was adopted*, whichever is later.

Sec. 5. NRS 279.468 is hereby amended to read as follows:

279.468 An agency may:

1. From time to time prepare plans for the improvement, rehabilitation and redevelopment of blighted areas.

2. Disseminate redevelopment information.

3. Accept financial or other assistance from any public or private source, for the agency's activities, powers and duties, and expend any funds so received for any of the purposes of NRS 279.382 to 279.685, inclusive.

1 **4. For each neighborhood within the redevelopment area, create a**
2 **residential plan for the neighborhood or appoint an advisory council for**
3 **redevelopment and delegate the authority to create the residential plan to**
4 **the advisory council. A residential plan created by an advisory council**
5 **must be approved by the agency, and each residential plan created**
6 **pursuant to this subsection must include a financing plan.**

7 **5. Include in its budget all money received from any source,**
8 **including, without limitation, money received from a local government**
9 **for use by an advisory council in carrying out a residential plan approved**
10 **by the agency.**

11 **Sec. 6.** NRS 279.470 is hereby amended to read as follows:

12 279.470 Within the redevelopment area or for purposes of
13 redevelopment an agency may:

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

17 2. ~~Acquire~~ **Except as otherwise provided in section 1 of this act,**
18 **acquire** real property by eminent domain.

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

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

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

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

27 **Sec. 7.** NRS 279.478 is hereby amended to read as follows:

28 279.478 1. An agency shall provide assistance for relocation and
29 shall make all ~~of~~ the payments required ~~in~~ **by chapter 342 of NRS and**
30 **the** regulations adopted by the director of the department of transportation
31 pursuant ~~to NRS 342.005~~ **thereto** for programs or projects for which
32 federal financial assistance is received to pay all or any part of the cost of
33 that program or project.

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

39 **Sec. 8.** NRS 279.482 is hereby amended to read as follows:

40 279.482 1. An agency may obligate lessees or purchasers of property
41 acquired in a redevelopment project to:

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

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

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

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

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

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

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

17 (1) Economically disadvantaged;

18 (2) Physically handicapped;

19 (3) Members of racial minorities;

20 (4) Veterans; or

21 (5) Women.

22 **Sec. 9.** NRS 279.566 is hereby amended to read as follows:

23 279.566 1. Every redevelopment plan must provide for the
24 participation *and assistance* in the redevelopment of property in the
25 redevelopment area by the owners of all or part of that property *if* the
26 owners agree to participate in conformity with the redevelopment plan
27 adopted by the legislative body for the area.

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

32 3. Every redevelopment plan must contain ~~{alternative}~~ provisions for
33 redevelopment of the property if the owners fail to participate in the
34 redevelopment . ~~{as-agreed.}~~

35 **Sec. 10.** NRS 279.680 is hereby amended to read as follows:

36 279.680 ~~H~~ *Except as otherwise provided in NRS 279.685, in* any
37 redevelopment plan, or in the proceedings for the advance of money, or *the*
38 making of loans, or the incurring of any indebtedness, whether funded,
39 refunded, assumed or otherwise, by the redevelopment agency to finance or
40 refinance, in whole or in part, the redevelopment project, the portion of
41 taxes mentioned in paragraph (b) of subsection 1 of NRS 279.676 may be
42 irrevocably pledged for the payment of the principal of and interest on
43 those loans, advances or indebtedness.

1 **Sec. 11.** NRS 279.685 is hereby amended to read as follows:

2 279.685 1. Except as otherwise provided in ~~{subsection 2 or 3,}~~ **this**
3 **section**, an agency of a city whose population is 200,000 or more that
4 receives revenue from taxes pursuant to paragraph (b) of subsection 1 of
5 NRS 279.676 shall set aside not less than 15 percent of that revenue
6 **received on or before October 1, 1999, and 18 percent of that revenue**
7 **received after October 1, 1999**, to increase, improve and preserve the
8 number of dwelling units in the community for low-income households.

9 2. The obligation of an agency to set aside not less than 15 percent of
10 the revenue from taxes allocated to and received by the agency pursuant to
11 paragraph (b) of subsection 1 of NRS 279.676 is subordinate to any
12 existing obligations of the agency. As used in this subsection, "existing
13 obligations" means the principal and interest, when due, on any bonds,
14 notes or other indebtedness whether funded, refunded, assumed or
15 otherwise incurred by the agency before July 1, 1993, to finance or
16 refinance in whole or in part, the redevelopment of a redevelopment area.
17 For the purposes of this subsection, obligations incurred by an agency after
18 July 1, 1993, shall be deemed existing obligations if the net proceeds are
19 used to refinance existing obligations of the agency.

20 3. **The obligation of an agency to set aside an additional 3 percent of**
21 **the revenue from taxes allocated to and received by the agency pursuant**
22 **to paragraph (b) of subsection 1 of NRS 279.676 is subordinate to any**
23 **existing obligations of the agency. As used in this subsection, "existing**
24 **obligations" means the principal and interest, when due, on any bonds,**
25 **notes or other indebtedness whether funded, refunded, assumed or**
26 **otherwise incurred by the agency before October 1, 1999, to finance or**
27 **refinance in whole or in part, the redevelopment of a redevelopment**
28 **area. For the purposes of this subsection, obligations incurred by an**
29 **agency after October 1, 1999, shall be deemed existing obligations if the**
30 **net proceeds are used to refinance existing obligations of the agency.**

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

33 **Sec. 12.** NRS 342.045 is hereby amended to read as follows:

34 342.045 Before undertaking a project that will result in the
35 displacement of a natural person or a business, each governmental body , **or**
36 **person acting on behalf of, under contract with or in cooperation with**
37 **the governmental body**, shall adopt policies pursuant to NRS 342.015 to
38 342.075, inclusive, to provide relocation assistance and make relocation
39 payments to each person , **whether an owner or a tenant, who is** displaced
40 from his dwelling or business establishment as a result of the acquisition of
41 property in a manner substantially similar to and in amounts equal to or
42 greater than those which are provided for in the federal Uniform Relocation
43 Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C.

- 1 §§ 4601-4655, and the regulations adopted pursuant thereto. *Nothing in*
- 2 *this section prohibits the payment of relocation benefits to a renter or*
- 3 *lessee of real property whose tenancy is from month to month.*

~