

ASSEMBLY BILL NO. 510—ASSEMBLYMEN FREEMAN, GIBBONS,
WILLIAMS AND GIUNCHIGLIANI

MARCH 12, 1999

Referred to Committee on Government Affairs

SUMMARY—Revises provisions regarding residential construction tax for parks and impact fees.
(BDR 22-1361)

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

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

AN ACT relating to local government finance; providing in skeleton form for the revision of provisions governing local government finance; expanding the residential construction tax for parks to include libraries; revising provisions governing impact fees to include construction and renovation of school buildings; 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.** NRS 278.4981 is hereby amended to read as follows:
2 278.4981 1. The ordinance adopted pursuant to NRS 278.4979 must
3 set forth the standards to be applied in determining the amount of land that
4 is required to be dedicated. The ordinance must contain standards
5 determining the amount, quality and location of land that is required to be
6 dedicated which are based upon the number and type of dwelling units or
7 structures, apartment houses or mobile home lots, or any combination
8 thereof, included in each subdivision or development and give due
9 consideration to the relative desirability and market value of the land that
10 may be included within the area of any particular proposed subdivision or
11 development.
12 2. The ordinance must, without limiting the general powers conferred
13 in this chapter, include the following:
14 (a) Provisions for the creation, in accordance with the applicable master
15 plan, of park districts or service areas which would serve neighborhoods or
16 communities of interest within the city or county.

1 (b) A delegation of authority to designated departments or agencies of
2 the city or county to select the location of the land areas to be dedicated for
3 park and playground purposes. The land to be dedicated for park and
4 playground purposes must be within the park district or service area
5 created pursuant to paragraph (a) in which the subdivision, apartment
6 house or mobile home lots are located.

7 (c) A provision limiting the amount of land required to be dedicated to
8 an amount of land having a fair market value, determined by independent
9 appraisal, which does not exceed the amount of any residential
10 construction tax which would otherwise have been collected under NRS
11 278.4983 ~~to~~ **to provide neighborhood parks and facilities for parks.**

12 (d) A provision for the transfer of title to the dedicated land upon the
13 issuance of building permits and the construction of the first unit of the
14 subdivision or development from which the land was dedicated.
15 The ordinance may also contain a provision allowing an increase in the
16 number of dwelling units or structures, apartment houses or mobile home
17 lots, or any combination of them, in the subdivision equal to the number
18 which would otherwise have been allowed on the land dedicated for parks
19 and playgrounds.

20 **Sec. 2.** NRS 278.4983 is hereby amended to read as follows:

21 278.4983 1. The city council of any city or the board of county
22 commissioners of any county which has adopted a master plan and
23 recreation plan, as provided in this chapter, which includes, as a part of the
24 plan, future or present sites for neighborhood parks **or libraries** may, by
25 ordinance, impose a residential construction tax pursuant to this section.

26 2. If imposed, the residential construction tax must be imposed on the
27 privilege of constructing apartment houses and residential dwelling units
28 and developing mobile home lots in the respective cities and counties. The
29 rate of the tax must not exceed 1 percent of the valuation of each building
30 permit issued, or ~~[\$1,000]~~ **\$2,000** per residential dwelling unit or mobile
31 home lot, whichever is less. For the purpose of the residential construction
32 tax, the city council of the city or the board of county commissioners of the
33 county shall adopt an ordinance basing the valuation of building permits
34 on the actual costs of residential construction in the area.

35 3. The purpose of the tax is to raise revenue to enable the cities and
36 counties to provide neighborhood parks and **libraries and** facilities for
37 parks which are required by the residents of those apartment houses,
38 mobile homes and residences.

39 4. An ordinance enacted pursuant to subsection 1 must establish the
40 procedures for collecting the tax, set its rate, and determine the purposes
41 for which the tax is to be used, subject to the restrictions and standards
42 provided in this chapter. The ordinance must, without limiting the general
43 powers conferred in this chapter, also include:

1 (a) Provisions for the creation, in accordance with the applicable master
2 plan, of park districts *or library districts* which would serve neighborhoods
3 within the city or county.

4 (b) A provision for collecting the tax at the time a building permit for
5 the construction of any apartment houses, residential dwelling units or
6 mobile home lots is issued.

7 5. All ~~to~~ the residential construction taxes collected pursuant to the
8 provisions of this section and any ordinance enacted by a city council or
9 board of county commissioners, and all interest accrued on the money,
10 must be placed with the city treasurer or county treasurer in a special fund.
11 Except as otherwise provided in subsection 6, the money in the fund may
12 only be used for the acquisition, improvement and expansion of
13 neighborhood parks *or libraries* or the installation of facilities in existing
14 or neighborhood parks in the city or county. Money in the fund must be
15 expended for the benefit of the neighborhood from which it was collected.

16 6. If a neighborhood park *or library* has not been developed or
17 facilities have not been installed in an existing park in the park district
18 created to serve the neighborhood in which the subdivision or development
19 is located within 3 years after the date on which 75 percent of the
20 residential dwelling units authorized within that subdivision or
21 development first became occupied, all money paid by the subdivider or
22 developer, together with interest at the rate at which the city or county has
23 invested the money in the fund, must be refunded to the owners of the lots
24 in the subdivision or development at the time of the reversion on a pro rata
25 basis.

26 7. The limitation of time established pursuant to subsection 6 is
27 suspended for any period, not to exceed 1 year, during which this state or
28 the Federal Government takes any action to protect the environment or an
29 endangered species which prohibits, stops or delays the development of a
30 park *or library* or installation of facilities.

31 8. For the purposes of this section:

32 (a) "Facilities" means turf, trees, irrigation, playground apparatus,
33 playing fields, play areas, picnic areas, horseshoe pits and other
34 recreational equipment or appurtenances designed to serve the natural
35 persons, families and small groups from the neighborhood from which the
36 tax was collected.

37 (b) "Neighborhood park" means a site not exceeding 25 acres, designed
38 to serve the recreational and outdoor needs of natural persons, families and
39 small groups.

40 **Sec. 3.** Chapter 278B of NRS is hereby amended by adding thereto a
41 new section to read as follows:

42 *The board of trustees of a school district may request a local*
43 *government in which the school district is located to impose impact fees*

pursuant to this chapter to construct and renovate school buildings. The board of trustees shall specify the areas of the county or city to be served by the buildings to be erected or renovated.

Sec. 4. NRS 278B.020 is hereby amended to read as follows:

278B.020 "Capital improvement" means a:

1. Drainage project;
2. Sanitary sewer project;
3. Storm sewer project;
4. Street project; ~~for~~
5. Water project ~~for~~; or

6. Construction or renovation of school buildings.

Sec. 5. NRS 278B.170 is hereby amended to read as follows:

278B.170 A capital improvements plan must include, by service area:

1. A description of the existing capital improvements and the costs to upgrade, improve, expand or replace those improvements to meet existing needs or more stringent safety, environmental or regulatory standards.

2. An analysis of the total capacity, level of current usage and commitments for usage of capacity of the existing capital improvements.

3. A description of any part of the capital improvements or facility expansions and the costs necessitated by and attributable to the new development in the service area based on the approved land use assumptions.

4. A table which establishes the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of capital improvements or facility expansions.

5. An equivalency or conversion table which establishes the ratio of a service unit to each type of land use, including but not limited to, residential, commercial and industrial uses.

6. The number of projected service units which are required by the new development within the service area based on the approved land use assumptions.

7. The projected demand for capital improvements or facility expansions required by new service units projected over a period not to exceed ~~10~~ 20 years.

Sec. 6. NRS 278B.280 is hereby amended to read as follows:

278B.280 1. Impact fees must not be used for:

~~1.1~~ (a) The construction, acquisition or expansion of public facilities or assets other than capital improvements or facility expansions which are included in the capital improvements plan.

~~1.2~~ (b) The repair, operation or maintenance of existing or new capital improvements or facility expansions.

- 1 ~~3.~~ (c) The upgrading, expansion or replacement of existing capital
2 improvements or facilities to serve existing development to meet more
3 stringent safety, environmental or regulatory standards.
4 ~~4.~~ (d) The upgrading, expansion or replacement of existing capital
5 improvements or facilities to provide better service to existing
6 development.
7 ~~5.~~ (e) The administrative and operating costs of the local government.
8 ~~6.~~ (f) Except as otherwise provided in NRS 278B.220, the payments
9 of principal and interest or other finance charges on bonds or other
10 indebtedness.
11 ***2. This section does not prohibit the use of impact fees to renovate***
12 ***school buildings to serve the needs of new development.***

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