

ASSEMBLY BILL NO. 95—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF CITY OF LAS VEGAS)

FEBRUARY 4, 1999

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing local improvement districts. (BDR 21-542)

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 improvements; authorizing the creation of a local improvement district for a street beautification project; requiring the governing body of a municipality which creates an improvement district to establish a procedure for hardship determinations; 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 271 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 and 3 of this act.

3 **Sec. 2.** *“Street beautification project” means the beautification of*
4 *any street, including, without limitation, median strips, pedestrian malls,*
5 *covered walkways or areas, water distribution and irrigation systems,*
6 *retaining walls, landscaping, tree planting, shrubbery, foliage, fountains,*
7 *waterfalls, decorative structures, benches, information booths, restrooms,*
8 *signs and other structures, and the reconstruction and relocation of*
9 *existing municipally owned works, improvements or facilities on such*
10 *streets, whether or not performed in conjunction with a street project or*
11 *offstreet parking project, or both.*

12 **Sec. 3. 1.** *On or before June 30 of each year after the creation of a*
13 *district for a street beautification project, the governing body shall*
14 *prepare and approve an estimate of the costs required during the next*
15 *fiscal year and a proposed assessment roll assessing an amount not in*

1 *excess of those estimated costs against the benefited property. The basis*
2 *for the computation of the assessments must be the frontage or another*
3 *uniform and quantifiable basis.*

4 *2. A public hearing must be conducted on the estimate of costs for*
5 *the next year and the assessment roll. Notice of the hearing must be*
6 *given, and the hearing conducted, in the manner described in NRS*
7 *271.380 and 271.385. The proposed assessments must not exceed the*
8 *estimated amount specified in the original assessment plat unless a new*
9 *hearing, after published and mailed notice, is held in the manner*
10 *described in NRS 271.305, 271.306 and 271.310.*

11 *3. After the public hearing on the assessment roll, the governing*
12 *body shall, by resolution or ordinance, confirm the assessments as*
13 *specified in the roll or as modified.*

14 *4. The assessments must be due over a period of 1 year after the*
15 *effective date of the resolution or ordinance confirming the assessments.*
16 *The assessments may be made payable at one time or in two or more*
17 *installments over that period. Interest may not be charged on an*
18 *assessment or installment paid when due.*

19 **Sec. 4.** NRS 271.030 is hereby amended to read as follows:

20 271.030 ~~Except where the context otherwise requires, the definitions~~
21 ~~in NRS 271.035 to 271.250, inclusive, govern the construction of this~~
22 ~~chapter.]~~ *As used in this chapter, unless the context otherwise requires,*
23 *the words and terms defined in NRS 271.035 to 271.250, inclusive, and*
24 *section 2 of this act, have the meanings ascribed to them in those*
25 *sections.*

26 **Sec. 5.** NRS 271.265 is hereby amended to read as follows:

27 271.265 1. The governing body of a county, city or town, upon
28 behalf of the municipality and in its name, without any election, may from
29 time to time acquire, improve, equip, operate and maintain, within or
30 without the municipality, or both, within and without the municipality:

31 (a) A curb and gutter project;

32 (b) A drainage project;

33 (c) An offstreet parking project;

34 (d) An overpass project;

35 (e) A park project;

36 (f) A sanitary sewer project;

37 (g) A security wall;

38 (h) A sidewalk project;

39 (i) A storm sewer project;

40 (j) A street project;

41 (k) *A street beautification project;*

42 (l) A transportation project;

43 ~~(m)~~ (m) An

underpass

project;

1 ~~[(m)]~~ (n) A water project; and

2 ~~[(n)]~~ (o) Any combination of such projects.

3 2. In addition to the power specified in subsection 1, the governing
4 body of a city having a commission form of government as defined in NRS
5 267.010, upon behalf of the municipality and in its name, without any
6 election, may from time to time acquire, improve, equip, operate and
7 maintain, within or without the municipality, or both, within and without
8 the municipality:

9 (a) An electrical project;

10 (b) A telephone project;

11 (c) A combination of an electrical project and a telephone project;

12 (d) A combination of an electrical project or a telephone project with
13 any of the projects, or any combination thereof, specified in subsection 1;
14 and

15 (e) A combination of an electrical project and a telephone project with
16 any of the projects, or any combination thereof, specified in subsection 1.

17 3. In addition to the power specified in subsections 1 and 2, the
18 governing body of a municipality, on behalf of the municipality and in its
19 name, without an election, may finance an underground conversion project
20 with the approval of each service provider that owns the overhead service
21 facilities to be converted.

22 **Sec. 6.** NRS 271.280 is hereby amended to read as follows:

23 271.280 1. Whenever the governing body is of the opinion that the
24 interest of the municipality requires any project, the governing body, by
25 resolution, shall direct the engineer to prepare, or may, after he has
26 prepared, ratify:

27 (a) Preliminary plans showing:

28 (1) A typical section of the contemplated improvement.

29 (2) The type or types of material, approximate thickness and
30 wideness.

31 (3) A preliminary estimate of the cost of the project, including
32 incidental costs.

33 (b) An assessment plat showing:

34 (1) The area to be assessed.

35 (2) ~~[(The)]~~ ***Except as otherwise provided in section 3 of this act, the***
36 amount of maximum benefits estimated to be assessed against each tract in
37 the assessment area.

38 The governing body is not required to employ the services of an appraiser
39 to estimate or to assist the engineer in estimating the benefits to be derived
40 from the project.

41 2. The resolution or ratification may provide for one or more types of
42 construction, and the engineer shall separately estimate the cost of each
43 type of construction. The estimate may be made in a lump sum or by unit

1 prices, as the engineer determines is most desirable for the improvement
2 complete in place.

3 3. The resolution or document ratified must describe the project in
4 general terms.

5 4. The resolution or document ratified must state:

6 (a) What part or portion of the expense of the project is of special
7 benefit and therefore is to be paid by assessments.

8 (b) What part, if any, has been or is proposed to be defrayed with
9 money derived from other than the levy of assessments.

10 (c) The basis by which the cost will be apportioned and assessments
11 levied.

12 5. If the assessment is not to be made according to front feet, the
13 resolution or document ratified must:

14 (a) By apt description designate the improvement district, including the
15 tracts to be assessed.

16 (b) Describe definitely the location of the project.

17 (c) State that the assessment is to be made upon all the tracts benefited
18 by the project proportionately to the benefits received.

19 6. If the assessment is to be upon the abutting property upon a frontage
20 basis, it is sufficient for the resolution or document ratified so to state and
21 to define the location of the project to be made.

22 7. It is not necessary in any case to describe minutely in the resolution
23 or document ratified each particular tract to be assessed, but simply to
24 designate the property, improvement district or the location, so that the
25 various parts to be assessed can be ascertained and determined to be within
26 or without the proposed improvement district.

27 8. The engineer shall forthwith prepare and file with the clerk:

28 (a) The preliminary plans; and

29 (b) The assessment plat.

30 9. Upon the filing of the plans and plat, they must be examined by the
31 governing body. If the plans and plat are found to be satisfactory, the
32 governing body shall make a provisional order by resolution to the effect
33 that the project will be acquired or improved, or both acquired and
34 improved.

35 **Sec. 7.** NRS 271.306 is hereby amended to read as follows:

36 271.306 1. Regardless of the basis used for apportioning
37 assessments, the amount apportioned to a wedge or V or any other
38 irregularly shaped tract must be in proportion to the special benefits
39 thereby derived.

40 2. ~~It is~~ *Except as otherwise provided in subsection 3, if*, within the
41 time specified in the notice, complaints, protests and objections in writing,
42 that is, all written remonstrances, against acquiring or improving the
43 project proposed by initiation of the governing body are filed with the

1 clerk, signed by the owners of tracts constituting a majority of the frontage,
2 of the area, of the zone, or of the other basis for the computation of
3 assessments, as the case may be, of the tracts to be assessed in the
4 improvement district or in the assessment unit if the improvement district
5 is divided into assessment units, the project therein must not be acquired or
6 improved unless:

7 (a) The municipality pays one-half or more of the total cost of the
8 project, other than a park project, with money derived from other than the
9 levy of assessments; or

10 (b) The project constitutes not more than 2,640 feet, including
11 intersections, remaining unimproved in any street, including an alley,
12 between improvements already made to either side of the same street or
13 between improvements already made to intersecting streets. In this case the
14 governing body may on its own motion cause the intervening and
15 unimproved part of the street to be improved. Such improvements will not
16 be stayed or defeated or prevented by written complaints, protests and
17 objections thereto, unless the governing body in its sole discretion, deems
18 such written complaints, protests and objections proper to cause the
19 improvement to be stayed or prevented.

20 **3. Written remonstrances by the owners of tracts constituting 50**
21 **percent of the basis for the computation of assessments suffice to**
22 **preclude the acquisition or improvement of a street beautification project.**

23 **Sec. 8.** NRS 271.357 is hereby amended to read as follows:

24 271.357 1. The governing body of each municipality which creates
25 an improvement district ~~may~~ **shall** establish a procedure to allow a
26 person whose property will be included within the boundaries of the
27 district to apply for a hardship determination.

28 2. The procedure must include the referral of applications to an
29 appropriate social services agency within the local government for
30 evaluation. The agency shall consider each application on the basis of
31 ability to pay the assessments attributable to the applicant's property and
32 render a recommendation of approval or disapproval to the governing
33 body.

34 3. The procedure must include a requirement for renewal of the
35 hardship determination as often as the governing body deems necessary.
36 An application for the renewal of a hardship determination must be treated
37 in a manner that is similar to the evaluation and approval required for an
38 initial determination.

39 **Sec. 9.** NRS 271.485 is hereby amended to read as follows:

40 271.485 1. Any bonds issued pursuant to this chapter may be sold in
41 such a manner as may be approved by the governing body to defray the
42 cost of the project, including all proper incidental expenses. The governing
43 body may issue a single issue of bonds to defray the costs of projects in

1 two or more improvement districts if the principal amount of those bonds
2 does not exceed the total uncollected assessments levied in each
3 improvement district.

4 2. Bonds must be sold in the manner prescribed in NRS 350.105 to
5 350.195, inclusive:

6 (a) For not less than the principal amount thereof and accrued interest
7 thereon; or

8 (b) At the option of the governing body, below par at a discount not
9 exceeding 9 percent of the principal amount and except as otherwise
10 provided in NRS 271.487 and 271.730, at a price which will not result in
11 an effective interest rate which exceeds by more than 3 percent the Index
12 of Twenty Bonds which was most recently published before the bids are
13 received or a negotiated offer is accepted if the maximum or any lesser
14 amount of discount permitted by the governing body has been capitalized
15 as a cost of the project.

16 3. Except as otherwise provided in NRS 271.487 and 271.730, the rate
17 of interest of the bonds must not at any time exceed the rate of interest, or
18 lower or lowest rate if more than one, borne by the special assessments, but
19 any rate of interest of the bonds may be the same as or less than any rate of
20 interest of the assessment, subject to the limitation provided in subsection
21 2, as the governing body may determine.

22 4. The governing body may employ legal, fiscal, engineering and
23 other expert services in connection with any project authorized by this
24 chapter and the authorization, issuance and sale of bonds.

25 5. Any accrued interest and any premium must be applied to the
26 payment of the interest on or the principal of the bonds, or both interest
27 and principal.

28 6. Any unexpended balance of the proceeds of the bond remaining
29 after the completion of the project for which the bonds were issued must be
30 paid immediately into the fund created for the payment of the principal of
31 the bonds and must be used therefor, subject to the provisions as to the
32 times and methods for their payment as stated in the bonds and the
33 proceedings authorizing their issuance.

34 7. The validity of the bonds must not be dependent on nor affected by
35 the validity or regularity of any proceedings relating to the acquisition or
36 improvement of the project for which the bonds are issued.

37 8. A purchaser of the bonds is not responsible for the application of
38 the proceeds of the bonds by the municipality or any of its officers, agents
39 and employees.

40 9. The governing body may enter into a contract to sell special
41 assessment bonds at any time but, if the governing body so contracts
42 before it awards a construction contract or otherwise contracts for

1 acquiring or improving the project, the governing body may terminate the
2 contract to sell the bonds, if:
3 (a) Before awarding the construction contract or otherwise contracting
4 for the acquisition or improvement of the project, it determines not to
5 acquire or improve the project; and
6 (b) It has not elected to proceed pursuant to subsection 2 or 3 of NRS
7 271.330, but has elected to proceed pursuant to subsection 1 of that
8 section.
9 10. If the governing body ceases to have jurisdiction to proceed,
10 because the *requisite proportion of* owners of ~~{more than one half of}~~ the
11 frontage to be assessed, or of ~~{such}~~ *the* area, zone or other ~~{assessment~~
12 ~~basis,}~~ *basis of assessment*, file written complaints, protests and objections
13 to the project, as provided in NRS 271.306, or for any other reason, any
14 contract to sell special assessment bonds is terminated and becomes
15 inoperative.

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