

SENATE BILL NO. 530—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 22, 1999

Referred to Committee on Government Affairs

SUMMARY—Provides for creation of additional special assessment districts in cities.
(BDR 21-26)

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 ~~to be omitted~~ is material to be omitted.

AN ACT relating to cities; authorizing the governing body of a city to create a district for special activities and improvements; authorizing the governing body of a city to impose special assessments to finance the activities and improvements; 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 268 of NRS is hereby amended by adding thereto
- 2 the provisions set forth as sections 2 to 23, inclusive, of this act.
- 3 **Sec. 2.** *As used in sections 2 to 23, inclusive, of this act, unless the*
- 4 *context otherwise requires, the words and terms defined in sections 3 to*
- 5 *9, inclusive, of this act have the meanings ascribed to them in those*
- 6 *sections.*
- 7 **Sec. 3.** *“Activity” includes:*
- 8 *1. Promotion of public events that benefit businesses or real property*
- 9 *in the district.*
- 10 *2. Providing music in any public place within the district.*
- 11 *3. Promotion of tourism within the district.*
- 12 *4. Marketing and economic development, including the recruitment*
- 13 *and retention of retail business.*
- 14 *5. Providing services related to security, sanitation, the removal of*
- 15 *graffiti, the cleaning of streets and sidewalks and providing other*
- 16 *municipal services that are supplemental to those typically provided by*
- 17 *the city.*

1 6. Any other activity that benefits businesses and real property
2 located in the district.

3 Sec. 4. "Association" means an association described in section 16
4 of this act.

5 Sec. 5. "District" means a district created to provide activities or
6 improvements, or both.

7 Sec. 6. "Governing body" means the city council or other governing
8 body of a city.

9 Sec. 7. "Improvement" means the acquisition, construction,
10 installation or maintenance of tangible property whose estimated useful
11 life is at least 5 years, including, without limitation:

12 1. Parking.

13 2. Benches, booths, kiosks, pedestrian shelters and signs.

14 3. Receptacles for trash.

15 4. Public restrooms.

16 5. Facilities for outdoor lighting and heating.

17 6. Decorations.

18 7. Parks.

19 8. Fountains.

20 9. Landscaping.

21 10. Closing, opening, widening or narrowing of existing streets.

22 11. Facilities or equipment, or both, to enhance protection of persons
23 and property within the district.

24 12. Ramps, sidewalks and plazas.

25 13. Rehabilitation or removal of existing structures.

26 Sec. 8. "Plan" means a plan for management of a district.

27 Sec. 9. "Property owner" means a person shown on the most recent
28 equalized assessment roll as, or otherwise known by the governing body
29 to be, the owner of land within the district.

30 Sec. 10. 1. A city located in a county whose population is less than
31 400,000 may create one or more districts pursuant to sections 2 to 23,
32 inclusive, of this act. The boundaries of a proposed district must not
33 overlap the boundaries of an existing district created pursuant to sections
34 2 to 23, inclusive, of this act. This section does not prohibit the
35 boundaries of a district from overlapping the boundaries of other
36 assessment districts or taxing districts established pursuant to other
37 provisions of law.

38 2. Creation of a district must be initiated by the filing with the city
39 clerk of a plan and a petition signed by property owners whose property
40 will be assessed, as set forth in the plan, for a combined total of at least
41 50 percent of the total amount of the proposed assessments of all the
42 property in the district. A signer need not be a resident of this state. The

signature of a corporation may be affixed by an authorized officer of the corporation.

Sec. 11. 1. The plan filed pursuant to section 10 of this act must contain:

(a) A list of the benefiting properties located within the proposed district that includes the parcel number of the properties.

(b) The name of the proposed district.

(c) A description of the boundaries of the benefiting properties located within the proposed district that is sufficient to identify the lands included in the district.

(d) The improvements or activities, or both, proposed for each year of the first 5 fiscal years of operation of the district.

(e) The total amount proposed to be expended for improvements or activities, or both, for each fiscal year of the first 5 years of operation of the district. If the district continues to operate, the association shall submit a new budget every 5 years thereafter for approval by the governing body.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessments in sufficient detail to enable each property owner to calculate the amount of the assessment to be levied against his property. The plan may allow for increases in assessments, not to exceed a specific amount or proportion, for each fiscal year of operation of the district.

(g) The time and manner of collecting the assessments.

(h) The specified number of years, not to exceed 30 years, for which assessments will be levied.

(i) Any regulations proposed to be applicable to the district.

(j) A list of the properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon those properties.

(k) The name of the association.

(l) Any other matter that the governing body requires to be set forth in the plan.

2. Copies of the plan must be made available at the office of the city clerk for any interested person who requests a copy.

Sec. 12. 1. The city attorney shall examine any petition filed pursuant to section 10 of this act. If the city attorney determines that the petition is sufficient in form and number of signatures, the district may be created if the conditions required by sections 2 to 23, inclusive, of this act are satisfied.

2. The governing body shall hold a public hearing on the petition. At least 20 days before the public hearing, the governing body shall:

1 (a) Mail notice of the hearing to each property owner within the
2 proposed district; and

3 (b) Publish notice of the hearing in a newspaper of general
4 circulation in the city,
5 describing the purpose and general location of the proposed district and
6 the date, time and place of the public hearing.

7 3. At the public hearing, any property owner or person who resides
8 within the proposed district may present, orally or in writing, the reasons
9 why he believes that:

10 (a) The petition does not contain a sufficient number of qualified
11 signatures; or

12 (b) The finding required by subsection 4 cannot reasonably be made
13 with respect to any part of the proposed district.

14 4. After consideration of any objections made at the hearing and of
15 any other information reasonably known to it, the governing body must,
16 as a condition precedent to the creation of the proposed district, find that
17 the public interest will benefit by the provision of the proposed activities
18 or improvements within that part of the city. In making this
19 determination, the governing body shall consider the differences it finds
20 between the city as a whole and the territory within and adjacent to the
21 proposed district.

22 Sec. 13. If the governing body finds that the public interest will
23 benefit by the provision of the proposed activities or improvements in a
24 definable district within the city, it shall cause an ordinance to be drafted
25 that:

26 1. Establishes the district as specified in the plan or a revision of the
27 plan; and

28 2. Defines the district by the boundaries proposed or enlarges or
29 reduces its proposed territory. If the district is enlarged or reduced, the
30 new boundaries must be defined in the same manner as is required for
31 the plan.

32 Sec. 14. 1. The governing body shall hold a second public hearing
33 before the first reading of the ordinance drafted pursuant to section 13 of
34 this act. At least 20 days before the public hearing, the governing body
35 shall:

36 (a) Mail notice of the hearing to each property owner within the
37 proposed district; and

38 (b) Publish notice of the hearing in a newspaper of general
39 circulation in the city,
40 describing the purpose of the proposed district, the boundaries as
41 provided in the ordinance and the date, time and place of the public
42 hearing.

1 2. *At the public hearing, a property owner within the proposed*
2 *district may present, orally or in writing, the reasons why he believes*
3 *that:*

4 *(a) Any specified territory should be excluded from the district or, if*
5 *the proposed district does not include the entire territory within which a*
6 *benefit would be derived from the proposed activities or improvements,*
7 *any specified territory should be included within the district; or*

8 *(b) The proposed activities or improvements should be changed in any*
9 *specified respect.*

10 3. *After consideration of any objections made at the public hearing*
11 *and of any other information reasonably known to it, the governing body*
12 *shall make any appropriate changes in the plan and the proposed*
13 *ordinance and may adopt the ordinance by an affirmative vote of a*
14 *majority of all the voting members of the governing body.*

15 **Sec. 15.** 1. *After the creation of a district, the governing body shall*
16 *annually ascertain and include in its budget the total amount of money to*
17 *be derived from assessments required to provide the activities or*
18 *improvements, or both, designated in the plan.*

19 2. *The total amount of money to be derived from assessments for the*
20 *next ensuing fiscal year must be apportioned among the individual*
21 *property owners in the district based upon the proportional assessed*
22 *value of their property.*

23 3. *The governing body shall hold a public hearing concerning the*
24 *assessments at the same time and place as the hearing on the budget for*
25 *the district. The governing body may levy the assessments after the*
26 *hearing. The assessments so levied must be collected at the same time*
27 *and in the same manner as provided for the collection of property taxes.*
28 *The assessments, with any interest and penalties, and the cost of*
29 *collecting an unpaid assessment, penalty or interest, are a lien on the*
30 *property until they are paid. The lien must be executed, and has the same*
31 *priority, as a lien for property taxes.*

32 4. *A district is not entitled to receive any distribution of supplemental*
33 *city-county relief tax.*

34 **Sec. 16.** 1. *A city that has created a district shall contract with a*
35 *nonprofit association to provide the activities or improvements, or both,*
36 *that are specified in the plan.*

37 2. *The particular association with which the city contracts pursuant*
38 *to subsection 1 must be a private nonprofit corporation and must be*
39 *identified in the plan.*

40 3. *The contract between the city and the association is a contract for*
41 *professional services and is not subject to the limitations of subsection 1*
42 *of NRS 354.626. The terms of such a contract may extend beyond the*
43 *terms of office of the members of the governing body.*

1 **4.** *The association does not become a political subdivision, local*
2 *government, public body, governmental agency or entity, establishment*
3 *of the government, public corporation or quasi-public corporation for*
4 *any purpose solely on the basis of a contract entered into with a city*
5 *pursuant to subsection 1.*

6 **5.** *A contract executed pursuant to this section must ensure that the*
7 *type and level of services provided by the city at the time of the creation*
8 *of the district continue after the district is formed.*

9 **Sec. 17. 1.** *A person who is subject to or has a legal interest in:*

10 *(a) An ordinance that creates a district;*

11 *(b) An ordinance that imposes an assessment for the operation of a*
12 *district; or*

13 *(c) A project that will be constructed with the proceeds from the*
14 *assessment,*

15 *may commence an appropriate proceeding in the district court of the*
16 *county in which the district is located to challenge the validity of the*
17 *ordinance, assessment or project. The proceeding may not be*
18 *commenced more than 30 days after the effective date of the ordinance.*

19 **2.** *The court shall affirm the ordinance, assessment or project unless*
20 *it determines that the approval of the ordinance, assessment or project*
21 *was the result of fraud or a gross abuse of discretion.*

22 **Sec. 18.** *A plan may establish one or more zones within a district*
23 *that are based upon the degree of benefit derived from the improvements*
24 *or activities to be provided within the zone and may impose a different*
25 *assessment for each zone.*

26 **Sec. 19.** *After the expiration of the period specified in the plan*
27 *pursuant to paragraph (h) of subsection 1 of section 11 of this act, the*
28 *governing body may create a new district pursuant to sections 2 to 23,*
29 *inclusive, of this act.*

30 **Sec. 20.** *If provided in a plan, a city may, in the manner prescribed*
31 *for issuing bonds in chapter 271 of NRS, issue bonds in an amount not*
32 *exceeding the total unpaid assessments levied to defray, wholly or in part,*
33 *the cost of the acquisition, improvement and maintenance of an*
34 *improvement. The provisions of NRS 271.495 and 271.500 do not apply*
35 *to bonds issued pursuant to this section.*

36 **Sec. 21.** *An association with which a city contracts pursuant to*
37 *section 16 of this act may, at any time, request that the governing body*
38 *modify a plan. Upon the written request of the association, the governing*
39 *body may modify the plan by ordinance after holding hearings on the*
40 *proposed modification pursuant to the requirements set forth in sections*
41 *12, 13 and 14 of this act. A petition is not required for a modification*
42 *made pursuant to this section.*

1 **Sec. 22. 1.** *The governing body may, by resolution, dissolve a*
2 *district if property owners whose property is assessed for a combined total*
3 *of more than 50 percent of the total amount of the assessments of all the*
4 *property in the district submit a written petition to the governing body*
5 *that requests the dissolution of the district within the period prescribed in*
6 *subsection 2.*

7 2. *The dissolution of a district may be requested within 30 days after:*

8 (a) *The first anniversary of the date the district was created; and*

9 (b) *Each subsequent anniversary thereafter.*

10 3. *As soon as practicable after the receipt of the written petition of*
11 *the property owners submitted pursuant to subsection 1, the governing*
12 *body shall pass a resolution of intention to dissolve the district. The*
13 *governing body shall give notice of a hearing on the dissolution. The*
14 *notice must be provided and the hearing must be held pursuant to the*
15 *requirements set forth in sections 12, 13 and 14 of this act.*

16 4. *If there is indebtedness, outstanding and unpaid, incurred to*
17 *accomplish any of the purposes of the district, the portion of the*
18 *assessment necessary to pay the indebtedness remains effective and must*
19 *be continued in the following years until the debt is paid.*

20 **Sec. 23. 1.** *The association with which a city contracts pursuant to*
21 *section 16 of this act shall cause to be prepared a report for each fiscal*
22 *year in which assessments are to be levied and collected.*

23 2. *The report prepared pursuant to subsection 1 must be filed with*
24 *the city clerk on or before June 15 of the fiscal year immediately*
25 *preceding the fiscal year to which the report applies and must include:*

26 (a) *The name of the district;*

27 (b) *The fiscal year to which the report applies;*

28 (c) *Any proposed changes to the boundaries of the district or any*
29 *zones created pursuant to section 18 of this act within the district for that*
30 *fiscal year;*

31 (d) *The improvements and activities to be provided for that fiscal year;*

32 (e) *An estimate of the cost of providing the improvements and*
33 *activities set forth pursuant to paragraph (d);*

34 (f) *The method and basis of levying each assessment to be levied for*
35 *that fiscal year in sufficient detail to allow each property owner to*
36 *calculate the amount of the assessment to be levied against his property*
37 *for that fiscal year;*

38 (g) *The amount of any surplus or deficit revenues to be carried over*
39 *from a preceding fiscal year; and*

- 1 *(h) The amount of any money received by the district from sources*
- 2 *other than assessments levied pursuant to sections 2 to 23, inclusive, of*
- 3 *this act.*

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