

Senate Bill No. 530–Committee on Government Affairs

CHAPTER.....

AN ACT relating to local improvements; authorizing a municipality to form a local improvement district for a commercial area vitalization project; authorizing a municipality who forms a local improvement district for a commercial area vitalization project to enter into contracts with certain nonprofit associations for certain purposes; authorizing a municipality to dissolve a local improvement district formed for such purposes under certain circumstances; 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 271 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 through 11, inclusive, of this act.

**Sec. 2.** *“Association” means an association described in section 5 of this act.*

**Sec. 3.** *“Commercial area vitalization project” includes:*

*1. The beautification and improvement of the public portions of any area zoned primarily for business or commercial purposes, including, without limitation:*

- (a) Public restrooms;*
  - (b) Facilities for outdoor lighting and heating;*
  - (c) Decorations;*
  - (d) Fountains;*
  - (e) Landscaping;*
  - (f) Facilities or equipment, or both, to enhance protection of persons and property within the improvement district;*
  - (g) Ramps, sidewalks and plazas; and*
  - (h) Rehabilitation or removal of existing structures; and*
- 2. The improvement of an area zoned primarily for business or commercial purposes by providing promotional activities.*

**Sec. 4.** *“Promotional activity” includes:*

- 1. Promotion of public events that benefit business or real property in the improvement district.*
- 2. Providing music in any public place within the improvement district.*
- 3. Promotion of tourism within the improvement district.*
- 4. Marketing and economic development, including the recruitment and retention of retail business.*
- 5. Providing services related to security, sanitation, the removal of graffiti, the cleaning of streets and sidewalks and providing other municipal services that are supplemental to those typically provided by the municipality.*
- 6. Any other activity that benefits businesses and real property located in the improvement district.*

**Sec. 5. 1.** *A governing body that forms an improvement district for a commercial area vitalization project may contract with a nonprofit association to provide the improvements that are specified in the plans for the commercial area vitalization project. If creation of the commercial improvement district was initiated by petition, the governing body shall contract for that purpose with the association named in the plan for management of the improvement district.*

*2. An association with which a governing body contracts pursuant to subsection 1 must be a private nonprofit corporation and must be identified in the plan for management of the improvement district. The association shall maintain liability insurance covering its activities.*

*3. The contract between the governing body and the association is a contract for professional services and is not subject to the limitations of subsection 1 of NRS 354.626. The terms of the contract may extend:*

*(a) Beyond the terms of office of members of the governing body; and*  
*(b) For the time necessary to cover the life of improvements and to fulfill financial commitments for equipment, services and related undertakings.*

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

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

**Sec. 6. 1.** *A contract executed pursuant to section 5 of this act must specify the approvals required for expenditures and provide for internal controls adequate to protect the assets of the improvement district. The contract must provide for audits of the association by the governing body at the discretion of the governing body.*

*2. If an audit finds a misuse of money or any fraud in the activities of the association, the governing body may take control of any assets of the association related to the improvement district.*

**Sec. 7.** *An association with which a governing body contracts pursuant to section 5 of this act may, at any time, request that the governing body modify a plan or plat with regard to the commercial area vitalization project. Upon the written request of the association, the governing body may modify the plan or plat by ordinance after holding a hearing on the proposed modification pursuant to section 10 of this act. If the proposed modification of a plat expands the territory for assessment, a person who owns or resides within a tract which is located within the territory proposed to be added to the improvement district and which is used exclusively for residential purposes may file a protest pursuant to section 9 of this act at any time before the governing body*

*modifies the plat by ordinance. A petition is not required for a modification made pursuant to this section.*

**Sec. 8. 1.** *The association with which a governing body contracts pursuant to section 5 of this act shall cause to be prepared a report for each fiscal year in which assessments are to be levied and collected.*

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

- (a) The name of the improvement district;*
- (b) The fiscal year to which the report applies;*
- (c) Any proposed changes to the boundaries of the improvement district for that fiscal year;*
- (d) The improvements to be provided for that fiscal year;*
- (e) An estimate of the cost of providing the improvements set forth pursuant to paragraph (d);*
- (f) The method and basis of levying each assessment to be levied for that fiscal year in sufficient detail to allow each property owner to calculate the amount of the assessment to be levied against his property for that fiscal year;*
- (g) The amount of any surplus or deficit revenues to be carried over from a preceding fiscal year; and*
- (h) The amount of any money received by the district from sources other than assessments levied pursuant to this chapter.*

**Sec. 9. 1.** *Before a proposed assessment plat for a commercial area vitalization project is adopted by ordinance, a person who owns or resides within a tract which:*

- (a) Is located within the proposed improvement district; and*
  - (b) Is used exclusively for residential purposes,*
- may file with the clerk a written protest to the inclusion of the tract in the assessment plat. The protest must be accompanied by a legal description of the tract.*

*2. Upon receipt of a protest pursuant to subsection 1, the clerk shall provide a copy of the protest and legal description of the property to the governing body.*

*3. Before adopting a resolution or ordinance pursuant to NRS 271.325 and before adopting an ordinance that modifies an assessment plat for a commercial area vitalization project to include additional tracts of land, the governing body shall modify the assessment plat for a commercial area vitalization project to exclude any tract for which it received a protest pursuant to this section and which it determines will not benefit from the activities or improvements that are proposed to be provided by the commercial area vitalization project.*

**Sec. 10. 1.** *On or before June 30 of each year after the governing body acquires or improves a commercial area vitalization project, the governing body shall prepare or cause to be prepared an estimate of the expenditures required in the ensuing fiscal year and a proposed*

assessment roll assessing an amount not greater than the estimated cost against the benefited property. The assessment must be computed according to frontage or another uniform and quantifiable basis.

2. The governing body shall hold a public hearing upon the estimate of expenditures and the proposed assessment roll. Notice must be given and the hearing conducted in the manner provided in NRS 271.380 and 271.385. The assessment may not exceed the amount stated in the proposed assessment roll unless a new hearing is held after notice is mailed and published in the manner provided in NRS 271.305 and 271.310.

3. After the public hearing, the governing body shall confirm the assessments, as specified in the proposed assessment roll or as modified, and levy the assessment as provided in NRS 271.390.

4. An improvement district created for a commercial area vitalization project is not entitled to any distribution from the local government tax distribution account.

**Sec. 11.** 1. The governing body may, by resolution, dissolve an improvement district that is created for the purposes of a commercial area vitalization project if property owners whose property is assessed for a combined total of more than 50 percent of the total amount of the assessments of all the property in the improvement district submit a written petition to the governing body that requests the dissolution of the district within the period prescribed in subsection 2.

2. The dissolution of an improvement district pursuant to this section may be requested within 30 days after:

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

(b) Each subsequent anniversary thereafter.

3. As soon as practicable after the receipt of the written petition of the property owners submitted pursuant to subsection 1, the governing body shall pass a resolution of intention to dissolve the improvement district. The governing body shall give notice of a hearing on the dissolution. The notice must be provided and the hearing must be held pursuant to the requirements set forth in section 10 of this act. If the governing body determines that dissolution of the improvement district is appropriate, it shall dissolve the improvement district by resolution, effective not earlier than the 30th day after the hearing.

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

**Sec. 12.** NRS 271.030 is hereby amended to read as follows:

271.030 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 271.035 to 271.250, inclusive, sections 2, 3 and 4 of this act and section 2 of ~~this act,~~ **Assembly Bill No. 95 of this session**, have the meanings ascribed to them in those sections.

**Sec. 13.** NRS 271.125 is hereby amended to read as follows:

271.125 "Improvement" or "improve" means the extension, widening, lengthening, betterment, alteration, reconstruction, repair or other improvement (or any combination thereof) of facilities, other property, any project, or an interest therein, herein authorized ~~(1)~~, ***including, without limitation, conducting promotional activities within an improvement district created for a commercial area vitalization project.***

**Sec. 14.** NRS 271.265 is hereby amended to read as follows:

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

(a) ***A commercial area vitalization project;***

(b) A curb and gutter project;

~~(b)~~ (c) A drainage project;

~~(c)~~ (d) An offstreet parking project;

~~(d)~~ (e) An overpass project;

~~(e)~~ (f) A park project;

~~(f)~~ (g) A sanitary sewer project;

~~(g)~~ (h) A security wall;

~~(h)~~ (i) A sidewalk project;

~~(i)~~ (j) A storm sewer project;

~~(j)~~ (k) A street project;

~~(k)~~ (l) A street beautification project;

~~(l)~~ (m) A transportation project;

~~(m)~~ (n) An underpass project;

~~(n)~~ (o) A water project; and

~~(o)~~ (p) Any combination of such projects.

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

(a) An electrical project;

(b) A telephone project;

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

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

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

3. In addition to the power specified in subsections 1 and 2, the governing body of a municipality, on behalf of the municipality and in its name, without an election, may finance an underground conversion project

with the approval of each service provider that owns the overhead service facilities to be converted.

**Sec. 15.** NRS 271.280 is hereby amended to read as follows:

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

(a) Preliminary plans showing:

(1) A typical section of the contemplated improvement.

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

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

(b) An assessment plat showing:

(1) The area to be assessed.

(2) Except as otherwise provided in section 3 of ~~this act,~~ **Assembly Bill No. 95 of this session**, the amount of maximum benefits estimated to be assessed against each tract in the assessment area.

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

2. The resolution or ratification may provide for one or more types of construction, and the engineer shall separately estimate the cost of each type of construction. The estimate may be made in a lump sum or by unit prices, as the engineer determines is most desirable for the improvement complete in place.

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

4. The resolution or document ratified must state:

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

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

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

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

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

(b) Describe definitely the location of the project.

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

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



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

8. *If the preliminary plans include a commercial area vitalization project, then in addition to the other requirements in this section, before the plans are ratified by the governing body, the plans must include a plan for the management of the proposed improvement district which must include, without limitation:*

*(a) The improvements proposed for each year of the first 5 fiscal years of the proposed improvement district;*

*(b) An estimate of the total amount to be expended on improvements in the first year of operation;*

*(c) A list of any other special assessments that are currently being levied within the proposed improvement district;*

*(d) The name of any proposed association; and*

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

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

(a) The preliminary plans; and

(b) The assessment plat.

~~19.1~~ 10. Upon the filing of the plans and plat, they must be examined by the governing body. If the plans and plat are found to be satisfactory, the governing body shall make a provisional order by resolution to the effect that the project will be acquired or improved, or both acquired and improved.

**Sec. 16.** NRS 271.285 is hereby amended to read as follows:

271.285 ~~{Whenever}~~

1. *Except as otherwise provided in subsection 2, whenever* the owner or owners of lands to be assessed for not less than 90 percent of the entire cost of any project, including all incidental expenses, constituting at least 66 2/3 percent in frontage, in area or other property basis used for the computation of assessments as therein provided, as the case may be, by written petition, initiates the acquisition of any project which the governing body is authorized to initiate, subject to the following limitations:

~~{1.—The}~~ (a) *Except as otherwise provided in subsection 7 of NRS 271.325, the* governing body may incorporate such project in any improvement district or districts.

~~{2.}~~ (b) The governing body need not proceed with the acquisition of any such project or any part thereof after holding a hearing thereon, pursuant to NRS 271.310, and all provisions thereof thereunto enabling, if the governing body shall determine that it is not for the public interest that the proposed project, or a part thereof, be then ordered to be made.

~~[3.]~~ (c) Any particular kind of project, or any material therefor, or any part thereof, need not be acquired or located, as provided in the petition, if the governing body shall determine that such is not for the public interest.

~~[4.]~~ (d) The governing body need not take any proceedings or action upon receiving any such petition, if the governing body shall thereupon determine by resolution that the acquisition of the designated project probably is not feasible for a reason or reasons stated in such resolution, and if the resolution requires a cash deposit or a pledge of property in at least an amount or value therein designated and found therein by the governing body probably to be sufficient to defray the expenses and costs incurred by the municipality taken preliminary to and in the attempted acquisition of the project designated in the petition, and if such deposit or pledge is not made with the treasurer within 20 days after one publication in a newspaper of general circulation in the municipality of a notice of the resolution's adoption and of its content in summary form. An additional deposit or pledge may from time to time be similarly so required as a condition precedent to the continuation of action by the municipality. Whenever such deposit or pledge is so made and thereafter the governing body shall determine that such acquisition is not feasible within a reasonable period of time, the governing body may require that all or any portion of the costs theretofore incurred in connection therewith by the municipality after its receipt of the petition shall be defrayed from such deposit or the proceeds of such pledged property in the absence of such defrayment of costs by petitioners or other interested persons within 20 days after the determination by resolution of the amount so to be defrayed and after such published notice thereof.

*2. A petition signed by owners of tracts constituting at least one-half of the basis used for computation of assessments is sufficient to initiate procedures for acquiring or improving a commercial area vitalization project. A petition for acquiring or improving a commercial area vitalization project must be accompanied by a plan describing proposed improvements and a proposed assessment plat when submitted to the governing body.*

**Sec. 17.** NRS 271.290 is hereby amended to read as follows:

271.290 ~~[Upon]~~

*1. Except as otherwise expressly provided or necessarily implied in this section or in NRS 271.285, upon* the filing of such a petition, the governing body shall proceed in the same manner as is provided for hereby where proceedings are initiated by the governing body . ~~[except as otherwise expressly provided or necessarily implied in NRS 271.285.]~~

*2. Upon the filing of a petition for the acquisition or improvement of a commercial area vitalization project, the governing body shall hold a public hearing on the petition. At least 20 days before the public hearing, the governing body shall:*



*(a) Mail notice of the hearing to each owner of real property within the proposed improvement district and to each tenant who resides or owns a business located within the proposed improvement district; and*

*(b) Publish notice of the hearing in a newspaper of general circulation in the municipality, describing the purpose and general location of the proposed improvement district, and the date, time and place of the proposed public hearing.*

*3. At the public hearing, any owner of real property or tenant who resides or owns a business located within the proposed district for a commercial area vitalization project may present, orally or in writing, the reasons why he believes that:*

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

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

*4. After consideration of any objections made at the hearing, and of any other information reasonably known to it, the governing body must, as a condition precedent to the initiation of the procedure for acquiring or improving a commercial area vitalization project, find that the public interest will benefit by the provision of the proposed improvements within that part of the municipality. In making this determination, the governing body shall consider the differences it finds between the municipality as a whole and the territory within and adjacent to the proposed improvement district.*

**Sec. 18.** NRS 271.305 is hereby amended to read as follows:

271.305 1. In the provisional order the governing body shall set a time, at least 20 days thereafter, and a place at which the owners of the tracts to be assessed, or any other interested persons, may appear before the governing body and be heard as to the propriety and advisability of acquiring or improving, or acquiring and improving, the project or projects provisionally ordered. If a mobile home park is located on one or more of the tracts to be assessed, the notice must be given to the owner of the tract and each tenant of that mobile home park.

2. Notice must be given:

(a) By publication.

(b) By mail.

(c) By posting.

3. Proof of publication must be by affidavit of the publisher.

4. Proof of mailing and proof of posting must be by affidavit of the engineer, clerk, or any deputy mailing the notice and posting the notice, respectively.

5. Proof of publication, proof of mailing and proof of posting must be maintained in the records of the municipality until all the assessments appertaining to the project have been paid in full, including principal, interest, any penalties, and any collection costs.

6. The notice may be prepared by the engineer and ratified by the governing body, and, except as otherwise provided in subsection 7, must state:

- (a) The kind of project proposed.
- (b) The estimated cost of the project, and the portion, if any, to be paid from sources other than assessments.
- (c) The basis for apportioning the assessments, which assessments must be in proportion to the special benefits derived to each of the several tracts comprising the assessable property and on a front foot, area, zone or other equitable basis.
- (d) The number of installments and time in which the assessments will be payable.
- (e) The maximum rate of interest on unpaid installments of assessments.
- (f) The extent of the improvement district to be assessed, by boundaries or other brief description.
- (g) The time and place of the hearing where the governing body will consider all objections to the project.
- (h) That all written objections to the project must be filed with the clerk of the municipality at least 3 days before the time set for the hearing.
- (i) ~~That~~ ***If the project is not a commercial area vitalization project, that*** pursuant to NRS 271.306, if a majority of the property owners to be assessed for a project proposed by a governing body object in writing within the time stated in paragraph (h), the project must not be acquired or improved unless:
  - (1) The municipality pays one-half or more of the total cost of the project, other than a park project, with money derived from other than the levy or assessments; or
  - (2) The project constitutes not more than 2,640 feet, including intersections, remaining unimproved in any street, including an alley, between improvements already made to either side of the same street or between improvements already made to intersecting streets.
- (j) That the description of the tracts to be assessed, the maximum amount of benefits estimated to be conferred on each such tract and all proceedings in the premises are on file and can be examined at the office of the clerk.
- (k) Unless there will be no substantial change, that a substantial change in certain existing street elevations or grades will result from the project, without necessarily including any statement in detail of the extent or location of any such change.
- (l) That a person should object to the formation of the district using the procedure outlined in the notice if his support for the district is based upon a statement or representation concerning the project that is not contained in the language of the notice.
- (m) That if a person objects to the amount of maximum benefits estimated to be assessed or to the legality of the proposed assessments in any respect:

(1) He is entitled to be represented by counsel at the hearing;  
(2) Any evidence he desires to present on these issues must be presented at the hearing; and

(3) Evidence on these issues that is not presented at the hearing may not thereafter be presented in an action brought pursuant to NRS 271.315.

*(n) If the project is a commercial area vitalization project, that:*

*(1) A person who owns or resides within a tract in the proposed improvement district and which is used exclusively for residential purposes may file a protest to inclusion in the assessment plat pursuant to section 9 of this act; and*

*(2) Pursuant to NRS 271.306, if written remonstrances by the owners of tracts constituting one-third or more of the basis for the computation of assessments for the commercial area vitalization project are presented to the governing body, the governing body shall not proceed with the commercial area vitalization project.*

7. The notice need not state either or both of the exceptions stated in subsection 2 of NRS 271.306 unless either or both of the exceptions are determined by the governing body or the engineer to be relevant to the proposed improvement district to which the notice appertains.

8. All proceedings may be modified or rescinded wholly or in part by resolution adopted by the governing body, or by a document prepared by the engineer and ratified by the governing body, at any time before the passage of the ordinance adopted pursuant to NRS 271.325, creating the improvement district, and authorizing the project.

9. No substantial change in the improvement district, details, preliminary plans or specifications or estimates may be made after the first publication, posting or mailing of notice to property owners, whichever occurs first, except for the deletion of a portion of a project and property from the proposed program and improvement district or any assessment unit.

10. The engineer may make minor changes in time, plans and materials entering into the work at any time before its completion.

*11. If the ordinance is for a commercial area vitalization project, notice sent pursuant to this section must be sent by mail to each person who owns real property which is located within the proposed improvement district and to each tenant who resides or owns a business located within the proposed improvement district.*

**Sec. 19.** NRS 271.306 is hereby amended to read as follows:

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

2. Except as otherwise provided in ~~subsection 3,~~ **subsections 3 and 4**, if, within the time specified in the notice, complaints, protests and objections in writing, that is, all written remonstrances, against acquiring or improving the project proposed by initiation of the governing body are filed

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

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

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

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

***4. Written remonstrances by the owners of tracts constituting at least one-third of the basis for the computation of assessments suffice to preclude the acquisition or improvement of a commercial area vitalization project. For the purposes of this subsection, the property of a single owner may not be counted as constituting more than 10 percent of the basis.***

**Sec. 20.** NRS 271.320 is hereby amended to read as follows:

271.320 1. After the hearing ~~it~~ **and** after the governing body has ~~disposed~~ :

(a) **Disposed** of all complaints, protests and objections, oral and in writing ~~it, and after the governing body has determined that either~~ ;

(b) **Determined that it is not prevented from proceeding pursuant to subsection 3 or 4 of NRS 271.306; and**

(c) **Determined that:**

(1) **Either** or both exceptions stated in subsection 2 of NRS 271.306 apply ~~it, or that there~~ ; **or**

(2) **There** were not filed with the clerk complaints, protests and objections in writing and signed by the owners of tracts constituting a majority of the frontage, of the area, of the zone, or of the other basis for the computation of assessments stated in the notice, of the tracts to be assessed in the improvement district or in the assessment unit, if any, and the governing body has jurisdiction to proceed, the governing body shall determine whether to proceed with the improvement district, and with each assessment unit, if any, except as otherwise provided in this chapter.

2. If the governing body desires to proceed and desires any modification, by motion or resolution it shall direct the engineer to prepare and present to the governing body:

(a) A revised and detailed estimate of the total cost, including, without limiting the generality of the foregoing, the cost of acquiring or improving each proposed project and of each of the incidental costs. The revised estimate does not constitute a limitation for any purpose.

(b) Full and detailed plans and specifications for each proposed project designed to permit and encourage competition among the bidders, if any project is to be acquired by construction contract.

(c) A revised map and assessment plat showing respectively the location of each project and the tracts to be assessed therefor, not including any area or project not before the governing body at a provisional order hearing.

3. That resolution, a separate resolution, or the ordinance creating the improvement district may combine or divide the proposed project or projects into suitable construction units for the purpose of letting separate and independent contracts, regardless of the extent of any project constituting an assessment unit and regardless of whether a portion or none of the cost of any project is to be defrayed other than by the levy of special assessments. Costs of unrelated projects must be segregated for assessment purposes as provided in this chapter.

**Sec. 21.** NRS 271.325 is hereby amended to read as follows:

271.325 1. When an accurate estimate of cost, full and detailed plans and specifications and map are prepared, are presented and are satisfactory to the governing body, it shall, by resolution, make a determination that:

(a) Public convenience and necessity require the creation of the district; and

(b) The creation of the district is economically sound and feasible.

This determination may be made part of the ordinance creating the district adopted pursuant to subsection 2 and is conclusive in the absence of fraud or gross abuse of discretion.

2. The governing body may, by ordinance, create the district and order the proposed project to be acquired or improved. This ordinance may be adopted and amended as if an emergency existed.

3. The ordinance must prescribe:

(a) The extent of the improvement district to be assessed, by boundaries or other brief description, and similarly of each assessment unit therein, if any.

(b) The kind and location of each project proposed, without mentioning minor details.

(c) The amount or proportion of the total cost to be defrayed by assessments, the method of levying assessments, the number of installments and the times in which the costs assessed will be payable.

(d) The character and extent of any construction units.

4. The engineer may further revise the cost, plans and specifications and map from time to time for all or any part of any project, and the

ordinance may be appropriately amended before letting any construction contract therefor and before any work being done other than by independent contract let by the municipality.

5. The ordinance, as amended if amended, must order the work to be done as provided in this chapter.

6. Upon adoption or amendment of the ordinance, the governing body shall cause to be filed in the office of the county recorder a certified copy of a list of the tracts to be assessed and the amount of maximum benefits estimated to be assessed against each tract in the assessment area, as shown on the assessment plat as revised and approved by the governing body pursuant to NRS 271.320. Neither the failure to record the list as provided in this subsection nor any defect or omission in the list regarding any parcel or parcels to be included within the district affects the validity of any assessment, the lien for the payment thereof or the priority of that lien.

***7. The governing body may not adopt an ordinance creating or modifying the boundaries of an improvement district for a commercial area vitalization project if the boundaries of the improvement district overlap an existing improvement district created for a commercial area vitalization project.***

**Sec. 22.** NRS 271.335 is hereby amended to read as follows:

271.335 1. No contract for doing construction work for acquiring or improving the project contemplated may be made or awarded, nor may the governing body incur any expense or liability in relation thereto, except for maps, plats, diagrams, estimates, plans, specifications and notices, until after the hearing upon the provisional order and notice thereof provided for in NRS 271.305 have been given and had.

2. This section does not prevent the governing body from advertising by publication for proposals for doing the work whenever the governing body sees fit, but the contract may not be made or awarded before the time stated in subsection 1.

3. Except as otherwise provided ***in subsection 12 and*** in NRS 271.800, in the case of construction work done by independent contract for any project, or portion thereof, in any improvement district, the municipality shall request competitive bids, and proceed thereon, pursuant to the provisions of chapter 338 of NRS.

4. The municipality may waive any irregularity in the form of any bid.

5. Any contract may be let on a lump sum or on a unit basis.

6. No contract may be entered into for such work unless the contractor gives an undertaking with a sufficient surety or sureties approved by the governing body and in an amount fixed by it for the faithful performance of the contract and for payment of the contract.

7. Upon default in the performance of any contract, any designated official, as directed by motion of the governing body, may advertise and relet the remainder of the work without further ordinance or resolution and deduct the cost from the original contract price and recover any excess cost by suit on the original bond, or otherwise.



8. All contracts must provide among other things that the person entering into the contract with the municipality will pay for all materials furnished and labor and services rendered for the performance of the contract, and that any person furnishing the materials or rendering the services may maintain an action to recover for them against the obligor in the undertaking as though the person was named therein.

9. A contract or agreement made in violation of the provisions of this section is voidable, and no action may be maintained thereon by any party thereto against the municipality.

10. To the extent the municipality makes any payment thereunder, such a contract or agreement is valid, and any such payment may be included in any cost defrayed by the levy of assessments, unless theretofore the municipality elects to void the contract or agreement in its entirety and to recover any such payment from the party to whom made.

11. The governing body, except as expressly limited in this section, may, in the letting of contracts, impose such conditions upon bidders with regard to bonds and securities, and such guaranties of good and faithful performance and completion of any work and the keeping of the work in repair, and providing for any further matter or thing in connection therewith, as may be considered by the governing body to be advantageous to the municipality and to all interested.

***12. The provisions of subsections 3 through 11, inclusive, do not apply to work performed by an association pursuant to a contract entered into pursuant to section 5 of this act.***

**Sec. 23.** Sections 12, 14, 15 and 19 of this act become effective at 12:01 a.m. on October 1, 1999.

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