

ASSEMBLY BILL NO. 407—ASSEMBLYMEN CLABORN,
KOIVISTO, COLLINS, MCCLAIN AND OCEGUERA

MARCH 16, 2001

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing development projects on which prevailing wage must be paid. (BDR 22-1196)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

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

AN ACT relating to community redevelopment; revising the provisions governing development projects on which the prevailing wage must be paid; 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 279.500 is hereby amended to read as follows:
2 279.500 1. The provisions of NRS 338.010 to 338.090, inclusive,
3 apply to any contract for new construction, repair or reconstruction which
4 is awarded on or after October 1, 1991, by an agency for work to be done
5 in a project.
6 2. If an agency provides property for development at less than the fair
7 market value of the property, or provides financial incentives to the
8 developer with a value of more than \$100,000, the agency must ~~provide in~~
9 ~~the~~ *enter into a written* agreement with the developer *which must provide*
10 that the development project is subject to the provisions of NRS 338.010 to
11 338.090, inclusive, to the same extent as if the agency had awarded the
12 contract for the project. This subsection applies only to the project covered
13 by the agreement between the agency and the developer. This subsection
14 does not apply to future development of the property unless additional
15 financial incentives with a value of more than \$100,000 are provided to the
16 developer.
17 3. *The fair market value of property for development which is*
18 *provided to a developer pursuant to subsection 2 must be determined by a*
19 *person who is certified as a general appraiser pursuant to chapter 645C*
20 *of NRS using generally accepted appraisal standards, principles and*
21 *procedures. The appraisal must be performed not more than 12 months*



* A B 4 0 7 *

- 1 *before the date on which the developer and the agency enter into an*
2 *agreement pursuant to subsection 2. The fair market value of such*
3 *property must reflect any costs associated with the preparation of the*
4 *property for development which were incurred by the agency.*
5 4. *A financial incentive must be included in the calculation of the*
6 *value of financial incentives provided to a developer prescribed in*
7 *subsection 2 if:*
8 (a) *The financial incentive was a gift, grant, donation or loan and the*
9 *agreement between the agency and the developer pursuant to subsection*
10 *2 did not provide for the recovery of the amount of the gift, grant,*
11 *donation or loan by the agency.*
12 (b) *The developer or any partner, director or officer of the developer*
13 *acted in a capacity to encourage or influence the agency to provide the*
14 *financial incentive.*
15 (c) *Except as otherwise provided in paragraph (a), the agreement*
16 *between the agency and the developer pursuant to subsection 2 did not*
17 *provide for the recovery of the cost of the financial incentive by the*
18 *agency within 60 months after the provision of the financial incentive by*
19 *the agency.*
20 5. *An agency shall not:*
21 (a) *Divide a project into separate portions;*
22 (b) *Divide the financial incentives provided to a developer; or*
23 (c) *Provide money or property to a different public body,*
24 *to evade the provisions of this section.*
25 6. *As used in this section:*
26 (a) *“Financial incentive” includes, without limitation, gifts, grants,*
27 *donations, loans and the costs incurred by the agency for:*
28 (1) *Assembling real property into parcels suitable for development.*
29 (2) *Developing property pursuant to NRS 279.474 or 279.486.*
30 (3) *Exercising the power of eminent domain.*
31 (4) *Relocating facilities for public utilities and other infrastructure.*
32 (5) *Making improvements to infrastructure to meet standards which*
33 *are required for the approval of an application for a permit to develop*
34 *property.*
35 (6) *Removing hazardous materials.*
36 (b) *“Future development” does not include improvements made for*
37 *the first tenant of a project, unless such improvements were made more*
38 *than 60 months after the development was completed.*
39 (c) *“Infrastructure” has the meaning ascribed to it in NRS 278.02535.*

