

SENATE BILL NO. 266—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE INTERIM STUDY CONCERNING DISTRIBUTION  
AMONG LOCAL GOVERNMENTS OF REVENUE FROM  
STATE AND LOCAL TAXES (NRS 218.53881))

MARCH 1, 2001

Referred to Committee on Taxation

SUMMARY—Creates chapter relating to tax increment areas. (BDR 22-891)

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

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

AN ACT relating to taxation; providing provisions for the creation of tax increment areas by municipalities to defray costs of certain undertakings; 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.** Title 22 of NRS is hereby amended by adding thereto a  
2     new chapter to consist of the provisions set forth as sections 2 to 33,  
3     inclusive, of this act.  
4     **Sec. 2.** *Except as otherwise provided in this chapter or where the*  
5     *context otherwise requires, terms used or referred to in this chapter are*  
6     *as defined in the County Bond Law, insofar as they apply to counties,*  
7     *and the City Bond Law, insofar as they apply to cities, and except as*  
8     *otherwise provided in those laws, as defined in the Local Government*  
9     *Securities Law, but the definitions provided in this chapter, except where*  
10    *the context otherwise requires, govern the construction of this chapter.*  
11    **Sec. 3.** *“Clerk” means the county clerk or city clerk, as appropriate.*  
12    **Sec. 4.** *“Cost of the undertaking” or any phrase of similar import,*  
13    *means the “cost of any project” as the latter phrase is defined in the*  
14    *Local Government Securities Law.*  
15    **Sec. 5.** *“County” means any county in this state and Carson City.*  
16    **Sec. 6.** *“Engineer” means the municipal engineer or firm of*  
17    *engineers employed by the municipality in connection with any*  
18    *undertaking, any project or the exercise of any power authorized in this*  
19    *chapter.*



1     **Sec. 7.** *“Facilities” means buildings, structures, utilities or other*  
2 *properties pertaining to any undertaking or any project authorized in this*  
3 *chapter, including, without limitation, income-producing facilities and*  
4 *facilities acquired with the proceeds of bonds or other securities.*

5     **Sec. 8.** *“Governing body” means the board of county*  
6 *commissioners, the board of supervisors, the city council or the board of*  
7 *commissioners, as appropriate.*

8     **Sec. 9.** *“Municipality” means any county or city in this state.*

9     **Sec. 10.** *“Newspaper” means a newspaper printed in the English*  
10 *language at least once each calendar week and published and of general*  
11 *circulation in the municipality.*

12     **Sec. 11.** *“Posting” means posting in three public places at or near*  
13 *the site of the undertaking or any project designated at least 20 days*  
14 *before the designated hearing or other time or event.*

15     **Sec. 12.** *“Publication” or “publish” means publication in at least*  
16 *one newspaper, except as otherwise expressly provided or necessarily*  
17 *implied in this chapter, at least once a week for 3 consecutive weeks by*  
18 *three weekly insertions, the first publication being at least 15 days before*  
19 *the designated time or event.*

20     **Sec. 13.** *“Tax increment account” means a special account created*  
21 *pursuant to subsection 3 of section 24 of this act.*

22     **Sec. 14.** *“Tax increment area” means the area:*

23     1. *Whose boundaries are coterminous with those of a specially*  
24 *benefited zone established as provided in section 17 of this act;*

25     2. *Specially benefited by an undertaking under this chapter;*

26     3. *Designated by ordinance as provided in subsection 3 of section 24*  
27 *of this act; and*

28     4. *In which is located the taxable property the assessed valuation of*  
29 *which is the basis for the allocation of tax proceeds to the tax increment*  
30 *account pursuant to section 26 of this act.*

31     **Sec. 15.** *“Undertaking” means any enterprise to acquire, improve,*  
32 *equip, operate or maintain, or a combination thereof, any:*

33     1. *Project authorized in the County Bond Law, in the case of*  
34 *counties; or*

35     2. *Project for economic development that is needed to accommodate*  
36 *expansion or retention of businesses or to develop industrial and*  
37 *business parks that could not otherwise be accomplished through any*  
38 *other method of financing, in the case of cities,*

39 *and to defray the cost of such enterprise wholly or in part by the issuance*  
40 *of the bonds or other securities of the municipality payable wholly or in*  
41 *part from tax proceeds allocated to the tax increment account pertaining*  
42 *to the enterprise pursuant to section 26 of this act.*

43     **Sec. 16.** *This chapter applies to:*

44     1. *Any county in this state for any undertaking within the county;*

45     2. *Any city in this state for undertakings which are economic*  
46 *development projects that are needed to;*

47     (a) *Accommodate expansion or retention of businesses in the city; or*

48     (b) *Develop industrial and business parks,*



1 *that could not otherwise be accomplished through any other method of*  
2 *financing.*

3 **Sec. 17.** 1. *Except as otherwise provided in subsections 3, 4 and 5,*  
4 *on its own, or upon the request of a regional transportation commission*  
5 *established pursuant to NRS 273.030, a governing body of a county, on*  
6 *the behalf and in the name of the county, may designate a tax increment*  
7 *area comprising any specially benefited zone within the county*  
8 *designated for the purpose of creating a special account for the payment*  
9 *of bonds or other securities issued to defray the cost of the acquisition,*  
10 *improvement, equipment, operation or maintenance, or any combination*  
11 *thereof, of a project or projects authorized in the County Bond Law,*  
12 *including, without limitation, the condemnation of property for any such*  
13 *undertaking, as supplemented by the Local Government Securities Law,*  
14 *except as otherwise provided in this chapter.*

15 2. *Except as otherwise provided in subsections 3, 4 and 5, the*  
16 *governing body of a city, on the behalf and in the name of the city, may*  
17 *designate a tax increment area comprising any specially benefited zone*  
18 *within the municipality designated for the purpose of creating a special*  
19 *account for the payment of bonds or other securities issued to defray the*  
20 *cost of the acquisition, improvement, equipment, operation or*  
21 *maintenance, or any combination thereof, of a project or projects*  
22 *described in subsection 2 of section 16 of this act.*

23 3. *The right of way property of a railroad company that is under the*  
24 *jurisdiction of the Surface Transportation Board must not be included in*  
25 *a tax increment area unless the inclusion of the property is mutually*  
26 *agreed upon by the governing body and the railroad company.*

27 4. *A tax increment area may include property that is, at the time the*  
28 *boundaries are created, included within a redevelopment area previously*  
29 *established pursuant to the laws of this state. Upon expiration of a*  
30 *redemption area that has property included within a tax increment*  
31 *area established pursuant to this chapter, the tax increment formerly*  
32 *inuring to the redevelopment area, calculated from the date of creation*  
33 *of the tax increment area, inures to the benefit of the tax increment area.*

34 5. *The taxable property of a tax increment area must not be included*  
35 *in any subsequently created tax increment area until at least 50 years*  
36 *after the effective date of creation of the first tax increment area in which*  
37 *the property was included.*

38 **Sec. 18.** 1. *Whenever the governing body is of the opinion that the*  
39 *interests of the municipality require an undertaking, the governing body,*  
40 *by resolution, shall direct the engineer to prepare:*

41 (a) *Preliminary plans and a preliminary estimate of the cost of the*  
42 *undertaking, including, without limitation, all estimated financing costs*  
43 *to be capitalized with the proceeds of the securities issued by the*  
44 *municipality and all other estimated incidental costs relating to the*  
45 *undertaking;*

46 (b) *A statement of the proposed tax increment area pertaining thereto,*  
47 *the last finalized amount of the assessed valuation of the taxable property*  
48 *in such area, and the amount of taxes, including in such amount the sum*  
49 *of any unpaid taxes, whether or not delinquent, resulting from the last*



1 *taxation of the property, based upon the records of the county assessor*  
2 *and the county treasurer; and*  
3 *(c) A statement of the estimated amount of the tax proceeds to be*  
4 *credited annually to the tax increment account during the term of the*  
5 *proposed securities payable therefrom.*  
6 *2. The resolution must describe the undertaking in general terms*  
7 *and must state:*  
8 *(a) What portion of the expense of the undertaking will be paid with*  
9 *the proceeds of securities issued by the municipality in anticipation of tax*  
10 *proceeds to be credited to the tax increment account and payable wholly*  
11 *or in part therefrom;*  
12 *(b) How the remaining portion of the expense of the undertaking, if*  
13 *any, is to be financed; and*  
14 *(c) The basic security and any additional security for the payment of*  
15 *securities of the municipality pertaining to the undertaking.*  
16 *3. The resolution must designate the tax increment area or its*  
17 *location, so that the various tracts of taxable real property and any*  
18 *taxable personal property can be identified and determined to be within*  
19 *or without the proposed tax increment area, but need not describe in*  
20 *minute detail each tract of real property proposed to be included within*  
21 *the tax increment area.*  
22 *4. The engineer shall file with the clerk the preliminary plans,*  
23 *estimate of costs and statements.*  
24 *5. Upon the filing of the preliminary plans, estimate of costs and*  
25 *statements with the clerk, the governing body shall examine the*  
26 *preliminary plans, estimate of costs and statements, and if the governing*  
27 *body approves of the preliminary plans, estimate of costs and statements,*  
28 *it shall by resolution provisionally order the undertaking.*  
29 *Sec. 19. 1. In the resolution making the provisional order, the*  
30 *governing body shall set a time and place for a meeting to consider the*  
31 *ordering of the undertaking and hear all complaints, protests, objections*  
32 *and other relevant comments concerning the undertaking that are made*  
33 *in accordance with subsection 2. The time for the meeting must be at*  
34 *least 20 days after the date the governing body adopts the resolution that*  
35 *provisionally orders the undertaking.*  
36 *2. The Federal Government, the state, any public body, or any*  
37 *natural person who resides in the municipality or owns taxable personal*  
38 *or real property in the municipality, or any representative of any such*  
39 *natural person or entity, may submit a complaint, protest, objection or*  
40 *other comment about the undertaking before the governing body. If such*  
41 *an entity or person desires to submit a complaint, protest, objection or*  
42 *other comment about the undertaking for consideration by the governing*  
43 *body, the entity or person must:*  
44 *(a) File a written complaint, protest, objection or other comment*  
45 *about the undertaking with the clerk at least 3 days before the date of the*  
46 *meeting described in subsection 1;*  
47 *(b) Present an oral complaint, protest, objection or other comment*  
48 *about the undertaking to the governing body at the meeting described in*  
49 *subsection 1; or*



- 1     (c) *Present the complaint, protest, objection or other comment in the*  
2 *manner required pursuant to paragraphs (a) and (b).*  
3     3. *Notice of the meeting described in subsection 1 must be given:*  
4     (a) *To all persons on the list established pursuant to section 20 of this*  
5 *act, by mailing;*  
6     (b) *By posting; and*  
7     (c) *By publication.*  
8     4. *The notice must:*  
9     (a) *Describe the undertaking and the project or projects relating*  
10 *thereto without mentioning minor details or incidentals;*  
11     (b) *State the preliminary estimate of the cost of the undertaking,*  
12 *including all incidental costs, as stated in the report of the engineer filed*  
13 *with the clerk pursuant to section 18 of this act;*  
14     (c) *Describe the proposed tax increment area pertaining to the*  
15 *undertaking, the last finalized amount of the assessed valuation of the*  
16 *taxable property in the area, and the amount of taxes, including in such*  
17 *amount the sum of any unpaid taxes, whether or not delinquent,*  
18 *resulting from the last taxation of the property, based upon the records of*  
19 *the county assessor and the county treasurer;*  
20     (d) *State what portion of the expense of the undertaking will be paid*  
21 *with the proceeds of securities issued by the municipality in anticipation*  
22 *of tax proceeds to be credited to the tax increment account and payable*  
23 *wholly or in part therefrom, and state the basic security and any*  
24 *additional security for the payment of securities of the municipality*  
25 *pertaining to the undertaking;*  
26     (e) *State how the remaining portion of the expense, if any, is to be*  
27 *financed;*  
28     (f) *State the estimated amount of the tax proceeds to be credited*  
29 *annually to the tax increment account pertaining to the undertaking*  
30 *during the term of the proposed securities payable from such proceeds,*  
31 *and the estimated amount of any net revenues derived annually from the*  
32 *operation of the project or projects pertaining to the undertaking and*  
33 *pledged for the payment of those securities;*  
34     (g) *State the estimated aggregate principal amount to be borrowed by*  
35 *the issuance of the securities, excluding proceeds thereof to fund or*  
36 *refund outstanding securities, and the estimated total bond requirements*  
37 *of the securities;*  
38     (h) *Find, determine and declare that the estimated tax proceeds to be*  
39 *credited to the tax increment account and any such net pledged revenues*  
40 *will be fully sufficient to pay the bond requirements of the securities as*  
41 *they become due; and*  
42     (i) *State the date, time and place of the meeting described in*  
43 *subsection 1.*  
44     5. *All proceedings may be modified or rescinded wholly or in part by*  
45 *resolution adopted by the governing body at any time before the*  
46 *governing body passes the ordinance ordering the undertaking and*  
47 *creating the tax increment area and the tax increment account*  
48 *pertaining thereto pursuant to section 24 of this act.*



1     6. *Except as otherwise provided in this section, a public body shall*  
2 *not make a substantial change in the undertaking, the preliminary*  
3 *estimates, the proposed tax increment area or other statements relating*  
4 *thereto after the first publication or posting of notice or after the first*  
5 *mailing of notice to the property owners, whichever occurs first, without*  
6 *additional notice and a hearing pursuant to this section. A public body*  
7 *may delete a portion of the undertaking and property from the proposed*  
8 *tax increment area without notice and a hearing pursuant to this section.*  
9 *A subsequent final determination of the amount of assessed valuation of*  
10 *taxable property in the tax increment area or a subsequent levy of taxes*  
11 *does not adversely affect proceedings taken pursuant to this chapter.*

12     7. *The engineer may make minor changes in and develop the*  
13 *undertaking as to the time, plans and materials entering into the*  
14 *undertaking at any time before its completion.*

15     **Sec. 20.** 1. *The governing body shall cause a list of the names and*  
16 *addresses of all persons who reside within a proposed tax increment area*  
17 *and who own taxable property within a proposed tax increment area to*  
18 *be created. The names and addresses for the list may be obtained from*  
19 *the records of the county assessor or from such other sources as the clerk*  
20 *or the engineer deems available. A list of such names and addresses*  
21 *pertaining to any tax increment area may be revised from time to time,*  
22 *but must be revised at least once every 12 months if the list is needed for*  
23 *a period longer than 12 months.*

24     2. *If notice is required to be mailed pursuant to this chapter, the*  
25 *notice must be sent by prepaid, first-class mail, to the last known address*  
26 *of the person to whom the notice is being sent.*

27     3. *The mailing of any notice required in this chapter must be verified*  
28 *by the affidavit or certificate of the engineer, clerk, deputy or other*  
29 *person mailing the notice. Each verification of mailing must be filed with*  
30 *the clerk and be retained in the records of the municipality at least until*  
31 *all bonds and any other securities pertaining to a tax increment account*  
32 *have been paid in full, or any claim is barred by a statute of limitations.*

33     4. *A verification of mailing is prima facie evidence of the mailing of*  
34 *the notice in accordance with the requirements of this section.*

35     **Sec. 21.** 1. *The posting of any notice required in this chapter must*  
36 *be verified by the affidavit or certificate of the engineer, clerk, deputy or*  
37 *other person posting the notice. Each verification of posting must be filed*  
38 *with the clerk and must be retained in the records of the municipality at*  
39 *least until the bonds and other securities pertaining to a tax increment*  
40 *account have been paid in full and until any claim is barred by a statute*  
41 *of limitations.*

42     2. *A verification of posting is prima facie evidence of the posting of*  
43 *the notice in accordance with the requirements of this section.*

44     **Sec. 22.** 1. *Any notice required to be published pursuant to this*  
45 *chapter must be published in a newspaper of general circulation within*  
46 *the area of the tax increment area about which the notice relates at least*  
47 *once a week for 3 consecutive weeks. The first publication must be at*  
48 *least 15 days before the designated time or event, and the last publication*  
49 *must be at least 14 days after the first publication.*



- 1     2.   *Publication is complete on the day of the last publication.*  
2     3.   *Any publication required in this chapter must be verified by the*  
3     *affidavit of the person who publishes the notice. Each verification of*  
4     *publication must be filed with the clerk and must be retained in the*  
5     *records of the municipality at least until all the bonds and any other*  
6     *securities pertaining to a tax increment account have been paid in full, or*  
7     *any claim is barred by a statute of limitations.*  
8     4.   *A verification of publication is prima facie evidence of the*  
9     *publication of the notice in accordance with the requirements of this*  
10    *section.*  
11    **Sec. 23.**   1.   *At the time and place of the hearing, the governing*  
12    *body shall cause to be read and consider all written complaints, protests,*  
13    *objections and other relevant comments made in accordance with section*  
14    *19 of this act and to hear all oral complaints, protests, objections and*  
15    *other relevant comments made pursuant to that section.*  
16    2.   *After considering all written and oral complaints, protests,*  
17    *objections and other relevant comments that were properly submitted and*  
18    *after considering any other relevant material put forth, if the governing*  
19    *body determines that the undertaking, or a part thereof, is not in the*  
20    *public interest:*  
21    (a)   *The governing body, by resolution, shall make an order which*  
22    *states that the undertaking or a part of the undertaking, as appropriate,*  
23    *is not in the public interest and which states the reasons that the*  
24    *undertaking, or part of the undertaking, is not in the public interest;*  
25    (b)   *The public body may, by resolution and in accordance with the*  
26    *notice and hearing requirements of this chapter, modify the proposed tax*  
27    *increment area or undertaking to conform to the order; and*  
28    (c)   *The undertaking or part of the undertaking, as appropriate, must*  
29    *be stopped until the governing body adopts a new resolution for the*  
30    *undertaking which conforms to the order.*  
31    3.   *Any complaint, protest or objection to the regularity, validity and*  
32    *correctness of the proceedings taken and the documents made before the*  
33    *date of the hearing is waived unless presented in the manner specified in*  
34    *this chapter.*  
35    **Sec. 24.**   1.   *If, after considering all written and oral complaints,*  
36    *protests, objections and other relevant comments that were properly*  
37    *submitted and after considering any other relevant material put forth, the*  
38    *governing body determines that the undertaking is in the public interest,*  
39    *the governing body shall determine whether to proceed with the*  
40    *undertaking. If the governing body has ordered any modification to an*  
41    *undertaking and desires to proceed, it shall direct the engineer to modify*  
42    *the plans, estimate of costs and statements, as appropriate.*  
43    2.   *The engineer, if so directed, shall appropriately modify them and*  
44    *file the modified plans, estimate of costs and statements, as appropriate,*  
45    *with the clerk.*  
46    3.   *When the plans, estimates and statements are filed with the clerk*  
47    *and are satisfactory to the governing body, if the governing body wants to*  
48    *proceed with the undertaking, the governing body shall, by ordinance:*





- 1     (a) Overrule all complaints, protests and objections not otherwise  
2     acted upon;  
3     (b) Order the undertaking;  
4     (c) Describe the tax increment area pertaining to the undertaking;  
5     and  
6     (d) Create the tax increment account for the undertaking.

7     4. The governing body may adopt the ordinance in the same manner  
8     as an emergency ordinance or in the same manner as a regular  
9     ordinance.

10    **Sec. 25.** 1. The governing body may amend an ordinance adopted  
11    pursuant to section 24 of this act by adopting a supplemental ordinance,  
12    introduced and adopted in the same manner as a regular ordinance, to:

13    (a) Modify the undertaking by specifying new projects or removing or  
14    modifying projects specified in the original ordinance;

15    (b) Add areas to or remove areas from a tax increment area; and

16    (c) Make such other changes, additions or deletions as the governing  
17    body determines will further its objectives within the tax increment area.

18    2. If a proposed amendment would add any area to or remove any  
19    area from a tax increment area, the governing body shall provide by mail  
20    notice of the date, time and place of the meeting at which the proposed  
21    amendment will be considered to the last known owner or owners of each  
22    tract of land proposed to be added or removed.

23    3. The amount of taxes to be allocated to a tax increment account  
24    pursuant to section 26 of this act must be computed separately for the  
25    original tax increment area and each addition of land thereto.

26    **Sec. 26.** 1. After the effective date of the ordinance adopted  
27    pursuant to section 24 of this act, any taxes levied upon taxable property  
28    in the tax increment area each year by or for the benefit of the state, the  
29    municipality and any public body must be divided as follows:

30    (a) That portion of the taxes that would be produced by the rate upon  
31    which the tax is levied each year by or for each of those taxing agencies  
32    upon the total sum of the assessed value of the taxable property in the tax  
33    increment area as shown upon the assessment roll used in connection  
34    with the taxation of the property by the taxing agency, last equalized  
35    before the effective date of the ordinance, must be allocated to and when  
36    collected must be paid into the funds of the respective taxing agencies as  
37    taxes by or for the taxing agencies as taxes on all other property as paid.

38    (b) Except as otherwise provided in subsections 2 and 4, the portion of  
39    the levied taxes each year in excess of that amount must be allocated to,  
40    and when collected must be paid into, the tax increment account  
41    pertaining to the undertaking to pay the bond requirements of loans,  
42    money advanced to, or indebtedness, whether funded, refunded, assumed  
43    or otherwise, incurred by the municipality to finance or refinance, in  
44    whole or in part, the undertaking. Unless the total assessed valuation of  
45    the taxable property in the tax increment area exceeds the total assessed  
46    value of the taxable property in the area as shown by the last equalized  
47    assessment roll referred to in subsection 1, all of the taxes levied and  
48    collected upon the taxable property in the area must be paid into the  
49    funds of the respective taxing agencies. When the loans, advances and





1 indebtedness, if any, and interest thereon, have been paid, all money  
2 thereafter received from taxes upon the taxable property in the area must  
3 be paid into the funds of the respective taxing agencies as taxes on all  
4 other property are paid.

5 (c) The amount of taxes levied each year pursuant to subsection (b)  
6 that are paid into the tax increment account, may be limited by the  
7 governing body to an amount not to exceed the combined total amount  
8 required for annual debt service of the project or projects acquired,  
9 improved, equipped or maintained, or any combination thereof, as part of  
10 the undertaking.

11 (d) Any revenues generated within the tax increment district in excess  
12 of the amount referenced in paragraph (c), if any, will be paid into the  
13 funds of the respective taxing agencies in the same proportion as their  
14 base amount was distributed.

15 2. In any fiscal year, the total revenue paid to a tax increment area in  
16 combination with the total revenue paid to any other tax increment areas  
17 and any redevelopment agencies of a municipality must not exceed:

18 (a) In a municipality whose population is 100,000 or more, an amount  
19 equal to the combined tax rates of the taxing agencies for that fiscal year  
20 multiplied by 10 percent of the total assessed valuation of the  
21 municipality.

22 (b) In a municipality whose population is less than 100,000, an  
23 amount equal to the combined tax rates of the taxing agencies for that  
24 fiscal year multiplied by 15 percent of the total assessed valuation of the  
25 municipality.

26 If the revenue paid to a tax increment area must be limited pursuant to  
27 paragraph (a) or (b) and the municipality has more than one  
28 redevelopment agency or tax increment area, or one of each, the  
29 municipality shall determine the allocation to each agency and area. Any  
30 revenue that would be allocated to a tax increment area but for the  
31 provisions of this section must be paid into the funds of the respective  
32 taxing agencies.

33 3. Any tax that is approved on or after October 1, 2001, by a majority  
34 of the registered voters of the tax increment area voting upon the  
35 question, may not be allocated to or paid into the tax increment account  
36 and must be allocated to the specific purpose for which it was levied.

37 4. As used in this section, the term "last equalized assessment roll"  
38 means the assessment roll in existence on the 15th day of March  
39 immediately preceding the effective date of the ordinance.

40 **Sec. 27.** The Federal Government, the state, any public body or any  
41 natural person filing a written complaint, protest or objection in the  
42 manner and within the time provided in section 19 of this act, may,  
43 within 30 days after the governing body has finally passed on the  
44 complaint, protest or objection by resolution pursuant to section 23 of  
45 this act or by ordinance pursuant to section 24 of this act, commence an  
46 action or suit in any court of competent jurisdiction to correct or set aside  
47 the determination, but thereafter all actions or suits attacking the validity  
48 of the proceedings are perpetually barred.



\* S B 2 6 6 \*

1     *Sec. 28. 1. To defray in whole or in part the cost of any*  
2     *undertaking, a municipality may issue the following securities:*  
3     *(a) Notes;*  
4     *(b) Warrants;*  
5     *(c) Interim debentures;*  
6     *(d) Bonds; and*  
7     *(e) Temporary bonds.*  
8     *2. Any net revenues derived from the operation of a project acquired,*  
9     *improved or equipped, or any combination thereof, as part of the*  
10    *undertaking must be pledged for the payment of any securities issued*  
11    *pursuant to this section. The securities must be made payable from any*  
12    *such net pledged revenues as the bond requirements become due from*  
13    *time to time by the bond ordinance, trust indenture or other proceedings*  
14    *that authorize the issuance of the securities or otherwise pertain to their*  
15    *issuance.*  
16    *3. Securities issued pursuant to this section:*  
17    *(a) Must be made payable from tax proceeds accounted for in the tax*  
18    *increment account; and*  
19    *(b) May, at the option of the municipality, be made payable from the*  
20    *taxes levied by the municipality against all taxable property within the*  
21    *municipality, without limitation of rate or amount except for the*  
22    *limitation provided in section 2 of article 10 of the constitution of the*  
23    *State of Nevada.*  
24    *The municipality may also issue general obligation securities other than*  
25    *the ones authorized by this chapter that are made payable from taxes*  
26    *without also making the securities payable from any net pledged*  
27    *revenues or tax proceeds accounted for in a tax increment account, or*  
28    *from both of those sources of revenue.*  
29    *4. Any securities payable only in the manner provided in either*  
30    *paragraph (a) of subsection 3 or both subsection 2 and paragraph (a) of*  
31    *subsection 3:*  
32    *(a) Are special obligations of the municipality and are not in their*  
33    *issuance subject to any debt limitation imposed by law;*  
34    *(b) While they are outstanding, do not exhaust the debt incurring*  
35    *power of the municipality; and*  
36    *(c) May be issued under the provisions of the Local Government*  
37    *Securities Law, except as otherwise provided in this chapter, without any*  
38    *compliance with the provisions of NRS 350.001 to 350.006, inclusive, or*  
39    *350.020 to 350.070, inclusive, and without any approval or other*  
40    *preliminaries, except as otherwise provided in the Local Government*  
41    *Securities Law.*  
42    *5. Any securities payable from taxes in the manner provided in*  
43    *paragraph (b) of subsection 3, regardless of whether they are also*  
44    *payable in the manner provided in paragraph (a) of subsection 3 or in*  
45    *both subsection 2 and paragraph (a) of subsection 3:*  
46    *(a) Are general obligations of the city and are in their issuance subject*  
47    *to such debt limitation;*  
48    *(b) While they are outstanding, do exhaust the power of the*  
49    *municipality to incur debt; and*



1 (c) May be issued under the provisions of the Local Government  
2 Securities Law only after the issuance of municipal bonds is approved  
3 under the provisions of:

4 (1) NRS 350.001 to 350.006, inclusive; or

5 (2) NRS 350.020 to 350.070, inclusive,

6 except for the issuance of notes or warrants under the Local Government  
7 Securities Law that are payable out of the revenues for the current year  
8 and are not to be funded with the proceeds of interim debentures or  
9 bonds in the absence of such bond approval under the two acts  
10 designated in subparagraphs (1) and (2).

11 6. In the proceedings for the advancement of money, or the making  
12 of loans, or the incurrence of any indebtedness, whether funded,  
13 refunded, assumed or otherwise, by the municipality to finance or  
14 refinance, in whole or in part, the undertaking, the portion of taxes  
15 mentioned in subsection 2 of section 26 of this act must be irrevocably  
16 pledged for the payment of the bond requirements of the loans, advances  
17 or indebtedness. The provisions in the Local Government Securities Law  
18 pertaining to net pledged revenues are applicable to such a pledge to  
19 secure the payment of tax increment bonds.

20 Sec. 29. Any securities issued by a municipality for a tax increment  
21 area pursuant to this chapter must mature and be fully paid, including  
22 any interest thereon, before the expiration of the tax increment area.

23 Sec. 30. The municipality may:

24 1. Accept contributions or loans from the Federal Government, the  
25 state or any public body, or any combination thereof, for the purpose of  
26 financing the planning, acquisition, improvement, equipment,  
27 maintenance and operation of any enterprise pertaining to an  
28 undertaking in which the municipality is authorized to engage and may  
29 enter into contracts and cooperate with, and accept cooperation from, the  
30 Federal Government, the state or any public body, or any combination  
31 thereof, in the planning, acquisition, improvement, equipment,  
32 maintenance and operation, and in financing the planning, acquisition,  
33 improvement, equipment, maintenance and operation of any such  
34 enterprise in accordance with any legislation that Congress, the state  
35 legislature or the governing body of any public body, or any combination  
36 thereof, may have adopted before or may adopt on or after July 1, 1983,  
37 under which aid, assistance and cooperation may be furnished by the  
38 Federal Government, this state or public body, or any combination  
39 thereof, in the planning, acquisition, improvement, equipment,  
40 maintenance and operation or in financing the planning, acquisition,  
41 improvement, equipment, maintenance and operation of any such  
42 enterprise, including, without limitation, costs of engineering,  
43 architectural and economic investigations and studies, surveys, designs,  
44 plans, working drawings, specifications, procedures and other action  
45 preliminary to the acquisition, improvement or equipment of any project,  
46 and may do all things necessary to avail itself of such aid, assistance and  
47 cooperation pursuant to any federal or state legislation.

48 2. Enter into, without any election, joint operating or service  
49 contracts and agreements, acquisition, improvement, equipment or



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1 disposal contracts, or other arrangements for any term not extending  
2 beyond the expiration of the tax increment area, with the Federal  
3 Government, the state or any public body, or any combination thereof,  
4 concerning the undertaking, and any project or property pertaining  
5 thereto, whether acquired by the city, the Federal Government, the state  
6 or any public body, or any combination thereof, and may accept grants  
7 and contributions from the Federal Government, the state, any public  
8 body or any person, or any combination thereof, in connection therewith.

9 3. When determined by the governing body to be in the public  
10 interest, enter into and perform contracts and agreements, without any  
11 election, for any term not extending beyond the expiration of the tax  
12 increment area, with the Federal Government, the state, any public body  
13 or any person, or any combination thereof, for the provision and  
14 operation by the municipality of any facilities whether or not pertaining  
15 to the undertaking of the municipality or any project relating thereto and  
16 the payment periodically thereby to the municipality of amounts at least  
17 sufficient, if any, in the determination of the governing body, to  
18 compensate the municipality for the cost of providing, operating and  
19 maintaining the facilities serving the Federal Government, the state, the  
20 public body or person, or otherwise.

21 4. Enter into and perform, without any election, contracts and  
22 agreements with the Federal Government, the state, any public body or  
23 any person, or a combination thereof, for or concerning the planning,  
24 construction, lease or other acquisition, improvement, equipment,  
25 operation, maintenance, disposal and the financing of any property  
26 pertaining to the facilities of the municipality or to any undertaking or  
27 any project of the municipality, or otherwise, including, without  
28 limitation, any contract or agreement for any term not extending beyond  
29 the expiration of the tax increment area.

30 5. Cooperate with and act in conjunction with the Federal  
31 Government, or any of its engineers, officers, boards, commissions or  
32 departments, or with the state, or any of its engineers, officers, boards,  
33 commissions or departments, or with any public body or any person in  
34 the acquisition, improvement or equipment of any facilities or any project  
35 authorized for the municipality or for any other works, acts or purposes  
36 provided for herein, and may adopt and carry out any definite plan or  
37 system of work for any such purpose.

38 6. Cooperate with the Federal Government, the state or any public  
39 body, or any combination thereof, by an agreement therewith by which  
40 the municipality may:

41 (a) Acquire and provide, without cost to the cooperating entity, the  
42 land, easements and rights of way necessary for the acquisition,  
43 improvement or equipment, or any combination thereof, of any  
44 properties pertaining to the undertaking or any other facilities;

45 (b) Hold and save harmless the cooperating entity free from any claim  
46 for damages arising from the acquisition, improvement, equipment,  
47 maintenance or operation, or any combination thereof, of any facilities;

48 (c) Maintain and operate any facilities in accordance with regulations  
49 prescribed by the cooperating entity; and



1 (d) Adopt and enforce regulations, if any, concerning the facilities  
2 and satisfactory to the cooperating entity.

3 7. For a term not extending beyond the expiration of the tax  
4 increment area, or otherwise, without an election, provide by contract  
5 for:

6 (a) The joint use of personnel, equipment and facilities of the  
7 municipality, the Federal Government, the state or any public body, or  
8 any combination thereof, including, without limitation, public buildings  
9 constructed by or under the supervision of the governing body of the  
10 municipality or the other party or parties to the contract concerned, upon  
11 such terms and agreements and within such areas within the  
12 municipality as may be determined, for the promotion and protection of  
13 health, comfort, safety, life, welfare and property of the inhabitants of the  
14 municipality, the Federal Government, the state, any such public body  
15 and any persons of interest, as the case may be; and

16 (b) The joint employment of clerks, stenographers and other  
17 employees pertaining to the facilities, any project or the undertaking,  
18 now existing or hereafter established in the municipality, upon such  
19 terms and conditions as may be determined for the equitable  
20 apportionment of the expenses therefrom resulting.

21 8. In connection with any facilities of the municipality or any part of  
22 the facilities, acquired or proposed in connection with an undertaking, or  
23 with any project, consult with any regulatory or other agency of the  
24 Federal Government, the state or any public body and submit plans,  
25 specifications, or other instruments or documents, or any combination  
26 thereof, to each such governmental agency for its review,  
27 recommendations and other comments.

28 **Sec. 31.** For purposes of this chapter:

29 1. Facilities may consist of all properties, real, personal, mixed or  
30 otherwise, acquired by the municipality, by any undertaking for any one  
31 or more projects, through purchase, condemnation, construction or  
32 otherwise, and used in connection with any such project and related  
33 services or in any way pertaining thereto, whether situated within or  
34 without or both within and without the territorial limits of the  
35 municipality.

36 2. A municipality shall not acquire as a part of its facilities any  
37 property that at the time of its acquisition competes in any area with then  
38 existing property of a public body providing the same or a similar  
39 function or service therein. A municipality may acquire as part of its  
40 facilities property that complements existing property of a public body by  
41 providing in such an area supplemental functions or services if such  
42 existing property provides inadequate functions or services.

43 3. The municipality may acquire properties of any public body in the  
44 municipality as one undertaking or a project of the municipality or an  
45 interest therein.

46 **Sec. 32.** A tax increment area expires 30 years after the date on  
47 which the ordinance which creates the area becomes effective, unless the  
48 governing body adopts an ordinance extending the life of the tax  
49 increment area and the ordinance is approved by affirmative vote of a



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1 *majority of the registered voters in the tax increment area that vote on a*  
2 *referendum on the ordinance at the general election immediately*  
3 *preceding the adoption of such an ordinance.*

4 **Sec. 33.** 1. *This chapter, without reference to other statutes of this*  
5 *state, except as otherwise expressly provided in this chapter, constitutes*  
6 *full authority for the exercise of powers granted in this chapter.*

7 2. *No other law with regard to the exercise of any power granted in*  
8 *this chapter that provides for an election, requires an approval, or in any*  
9 *way impedes or restricts the carrying out of the acts authorized to be*  
10 *done applies to any acts taken under this chapter, except as provided in*  
11 *this chapter.*

12 3. *The powers conferred by this chapter are in addition and*  
13 *supplemental to, and not in substitution for, and the limitations imposed*  
14 *by this chapter do not affect the powers conferred by, any other law.*

15 **Sec. 34.** NRS 274.240 is hereby amended to read as follows:

16 274.240 To encourage the revitalization of specially benefited zones,  
17 the governing body of a designating municipality may:

18 1. Issue bonds or other securities authorized by other law for the  
19 purposes of economic development and use the proceeds for loans to any  
20 new or expanding qualified businesses in the specially benefited zone.

21 2. Reduce or eliminate any license or franchise tax, fee or service  
22 charge which would otherwise be imposed against qualified businesses  
23 within the specially benefited zone.

24 3. Develop and carry out, alone or where feasible with the  
25 participation of one or more designated neighborhood organizations as  
26 provided in NRS 274.250, programs to improve needed governmental  
27 services within the specially benefited zone.

28 4. Develop and carry out a plan to:


29 (a) Ensure the availability of resources to assist residents of the  
30 specially benefited zone in their own efforts to improve the condition of  
31 property and the availability and quality of public services within the zone.

32 (b) Provide or seek assistance for persons or businesses displaced as a  
33 result of undertakings or other activities conducted pursuant to this chapter.

34 5. *Provide financing by tax increment pursuant to sections 2 to 33,*  
35 *inclusive, of this act.*

36 6. Cooperate with any other governmental agency to provide any other  
37 incentive likely to encourage private investment within the specially  
38 benefited zone.

39 **Sec. 35.** NRS 354.59811 is hereby amended to read as follows:

40 354.59811 1. Except as otherwise provided in NRS 354.59813,  
41 354.59815, 354.5982, 354.5987, 354.59871, 354.705, 354.723, 450.425,  
42 450.760, 540A.265 and 543.600, for each fiscal year beginning on or after  
43 July 1, 1989, the maximum amount of money that a local government,  
44 except a school district, a district to provide a telephone number for  
45 emergencies  or a redevelopment agency, may receive from taxes ad  
46 valorem, other than those attributable to the net proceeds of minerals or  
47 those levied for the payment of bonded indebtedness and interest thereon  
48 incurred as general long-term debt of the issuer, or for the payment of  
49 obligations issued to pay the cost of a water project pursuant to NRS



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1 349.950, or for the payment of obligations under a capital lease executed  
2 before April 30, 1981, must be calculated as follows:  
3 (a) The rate must be set so that when applied to the current fiscal year's  
4 assessed valuation of all property which was on the preceding fiscal year's  
5 assessment roll, together with the assessed valuation of property on the  
6 central assessment roll which was allocated to the local government, but  
7 excluding any assessed valuation attributable to the net proceeds of  
8 minerals, assessed valuation attributable to a redevelopment area *or tax*  
9 *increment area* and assessed valuation of a fire protection district  
10 attributable to real property which is transferred from private ownership to  
11 public ownership for the purpose of conservation, it will produce 106  
12 percent of the maximum revenue allowable from taxes ad valorem for the  
13 preceding fiscal year, except that the rate so determined must not be less  
14 than the rate allowed for the previous fiscal year, except for any decrease  
15 attributable to the imposition of a tax pursuant to NRS 354.59813 in the  
16 previous year.  
17 (b) This rate must then be applied to the total assessed valuation,  
18 excluding the assessed valuation attributable to the net proceeds of  
19 minerals and the assessed valuation of a fire protection district attributable  
20 to real property which is transferred from private ownership to public  
21 ownership for the purpose of conservation , but including new real  
22 property, possessory interests and mobile homes, for the current fiscal year  
23 to determine the allowed revenue from taxes ad valorem for the local  
24 government.  
25 2. As used in this section, "general long-term debt" does not include  
26 debt created for medium-term obligations pursuant to NRS 350.085 to  
27 350.095, inclusive.

