

SENATE BILL NO. 389—COMMITTEE ON TAXATION

MARCH 29, 2005

Referred to Committee on Taxation

SUMMARY—Creates chapter relating to tax increment areas.
(BDR 22-815)

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:

Section 1. Title 22 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 34, inclusive, of this act.

Sec. 2. *Except as otherwise provided in this chapter or where the context otherwise requires, terms used or referred to in this chapter are as defined in the County Bond Law, insofar as they apply to counties, and the City Bond Law, insofar as they apply to cities, and except as otherwise provided in those laws, as defined in the Local Government Securities Law, but the definitions provided in this chapter, except where the context otherwise requires, govern the construction of this chapter.*

Sec. 3. *“Clerk” means the county clerk or city clerk, as appropriate.*

Sec. 4. *“Cost of the undertaking” or any phrase of similar import, means the “cost of any project” as the latter phrase is defined in the Local Government Securities Law.*

Sec. 5. *“County” means any county in this State.*



1 **Sec. 6.** *“Engineer” means the municipal engineer or firm of*
2 *engineers employed by the municipality in connection with any*
3 *undertaking, any project or the exercise of any power authorized*
4 *in this chapter.*

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

10 **Sec. 8.** *“Governing body” means the board of county*
11 *commissioners, the board of supervisors, the city council or the*
12 *board of commissioners, as appropriate.*

13 **Sec. 9.** *“Municipality” means any county or city in this State.*

14 **Sec. 10.** *“Newspaper” means a newspaper printed in the*
15 *English language at least once each calendar week of general*
16 *circulation in the municipality.*

17 **Sec. 11.** *“Posting” means posting in three public places at or*
18 *near the site of the undertaking or any project designated at least*
19 *20 days before the designated hearing or other time or event.*

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

25 **Sec. 13.** *“Tax increment account” means a special account*
26 *created pursuant to section 24 of this act.*

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

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

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

32 3. *Designated by ordinance as provided in section 24 of this*
33 *act; and*

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

37 **Sec. 15.** *“Undertaking” means any enterprise to acquire,*
38 *improve, equip, or a combination thereof, any:*

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

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



1 ↪ and to defray the cost of such enterprise wholly or in part by the
2 issuance of the bonds or other securities of the municipality
3 payable wholly or in part from tax proceeds allocated to the tax
4 increment account pertaining to the enterprise pursuant to section
5 26 of this act.

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

7 1. *Any county in this State for any undertaking within the*
8 *county;*

9 2. *Any city in this State for undertakings which are economic*
10 *development projects that are needed to:*

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

13 (b) *Develop industrial and business parks,*
14 ↪ *that could not otherwise be accomplished through any other*
15 *method of financing.*

16 **Sec. 17.** 1. *Except as otherwise provided in subsections 3, 4*
17 *and 5, on its own, or upon the request of a regional transportation*
18 *commission established pursuant to NRS 273.030, the governing*
19 *body of a county, on the behalf and in the name of the county,*
20 *may designate a tax increment area comprising any specially*
21 *benefited zone within the county designated for the purpose of*
22 *creating a special account for the payment of bonds or other*
23 *securities issued to defray the cost of the acquisition,*
24 *improvement, equipment, or any combination thereof, of a project*
25 *or projects authorized in the County Bond Law, including, without*
26 *limitation, the condemnation of property for any such*
27 *undertaking, as supplemented by the Local Government Securities*
28 *Law, except as otherwise provided in this chapter.*

29 2. *Except as otherwise provided in subsections 3, 4 and 5, the*
30 *governing body of a city, on the behalf and in the name of the city,*
31 *may designate a tax increment area comprising any specially*
32 *benefited zone within the city designated for the purpose of*
33 *creating a special account for the payment of bonds or other*
34 *securities issued to defray the cost of the acquisition,*
35 *improvement, equipment, or any combination thereof, of a project*
36 *or projects described in subsection 2 of section 16 of this act.*

37 3. *The right-of-way property of a railroad company that is*
38 *under the jurisdiction of the Surface Transportation Board must*
39 *not be included in a tax increment area unless the inclusion of the*
40 *property is mutually agreed upon by the governing body and the*
41 *railroad company.*

42 4. *A tax increment area may not include a property that is, at*
43 *the time the boundaries of the tax increment area are created,*
44 *included within a redevelopment area previously established*
45 *pursuant to the laws of this State.*



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

5 **Sec. 18. 1.** *Whenever the governing body of a municipality*
6 *is of the opinion that the interests of the municipality and the*
7 *public require an undertaking, the governing body, by resolution,*
8 *shall direct the engineer to prepare:*

9 (a) *Preliminary plans and a preliminary estimate of the cost of*
10 *the undertaking, including, without limitation, all estimated*
11 *financing costs to be capitalized with the proceeds of the securities*
12 *issued by the municipality and all other estimated incidental costs*
13 *relating to the undertaking;*

14 (b) *A statement of the proposed tax increment area pertaining*
15 *thereto, the last finalized amount of the assessed valuation of the*
16 *taxable property in such area, and the amount of taxes, including*
17 *in such amount the sum of any unpaid taxes, whether or not*
18 *delinquent, resulting from the last taxation of the property, based*
19 *upon the records of the county assessor and the county treasurer;*
20 *and*

21 (c) *A statement of the estimated amount of the tax proceeds to*
22 *be credited annually to the tax increment account during the term*
23 *of the proposed securities payable therefrom.*

24 2. *The resolution must describe the undertaking in general*
25 *terms and must state:*

26 (a) *What portion of the expense of the undertaking will be paid*
27 *with the proceeds of securities issued by the municipality in*
28 *anticipation of tax proceeds to be credited to the tax increment*
29 *account and payable wholly or in part therefrom;*

30 (b) *How the remaining portion of the expense of the*
31 *undertaking, if any, is to be financed; and*

32 (c) *The basic security and any additional security for the*
33 *payment of securities of the municipality pertaining to the*
34 *undertaking.*

35 3. *The resolution must designate the tax increment area or its*
36 *location, so that the various tracts of taxable real property and any*
37 *taxable personal property can be identified and determined to be*
38 *within or without the proposed tax increment area, but need not*
39 *describe in minute detail each tract of real property proposed to be*
40 *included within the tax increment area.*

41 4. *The engineer shall file with the clerk the preliminary*
42 *plans, estimate of costs and statements.*

43 5. *Upon the filing of the preliminary plans, estimate of costs*
44 *and statements with the clerk, the governing body shall examine*
45 *the preliminary plans, estimate of costs and statements, and if the*



governing body approves of the preliminary plans, estimate of costs and statements, it shall by resolution provisionally order the undertaking.

Sec. 19. 1. In the resolution making the provisional order, the governing body shall set a time and place for a meeting to consider the ordering of the undertaking and hear all complaints, protests, objections and other relevant comments concerning the undertaking that are made in accordance with subsection 2. The time for the meeting must be at least 20 days after the date the governing body adopts the resolution that provisionally orders the undertaking.

2. The Federal Government, the State, any public body, or any natural person who resides in the municipality or owns taxable personal or real property in the municipality, or any representative of any such natural person or entity, may submit a complaint, protest, objection or other comment about the undertaking before the governing body. If such an entity or person desires to submit a complaint, protest, objection or other comment about the undertaking for consideration by the governing body, the entity or person must:

(a) File a written complaint, protest, objection or other comment about the undertaking with the clerk at least 3 days before the date of the meeting described in subsection 1;

(b) Present an oral complaint, protest, objection or other comment about the undertaking to the governing body at the meeting described in subsection 1; or

(c) Present the complaint, protest, objection or other comment in the manner required pursuant to paragraphs (a) and (b).

3. Notice of the meeting described in subsection 1 must be given:

(a) To all persons on the list established pursuant to section 20 of this act, by mailing;

(b) By posting; and

(c) By publication.

4. The notice must:

(a) Describe the undertaking and the project or projects relating thereto without mentioning minor details or incidentals;

(b) State the preliminary estimate of the cost of the undertaking, including all incidental costs, as stated in the preliminary plans, estimate of costs and statements of the engineer filed with the clerk pursuant to section 18 of this act;

(c) Describe the proposed tax increment area pertaining to the undertaking, the last finalized amount of the assessed valuation of the taxable property in the area, and the amount of taxes, including in such amount the sum of any unpaid taxes, whether or



1 *not delinquent, resulting from the last taxation of the property,*
2 *based upon the records of the county assessor and the county*
3 *treasurer;*

4 *(d) State what portion of the expense of the undertaking will*
5 *be paid with the proceeds of securities issued by the municipality*
6 *in anticipation of tax proceeds to be credited to the tax increment*
7 *account and payable wholly or in part therefrom, and state the*
8 *basic security and any additional security for the payment of*
9 *securities of the municipality pertaining to the undertaking;*

10 *(e) State how the remaining portion of the expense, if any, is to*
11 *be financed;*

12 *(f) State the estimated amount of the tax proceeds to be*
13 *credited annually to the tax increment account pertaining to the*
14 *undertaking during the term of the proposed securities payable*
15 *from such proceeds, and the estimated amount of any net revenues*
16 *derived annually from the operation of the project or projects*
17 *pertaining to the undertaking and pledged for the payment of*
18 *those securities;*

19 *(g) State the estimated aggregate principal amount to be*
20 *borrowed by the issuance of the securities, excluding proceeds*
21 *thereof to fund or refund outstanding securities, and the estimated*
22 *total bond requirements of the securities;*

23 *(h) Find, determine and declare that the estimated tax*
24 *proceeds to be credited to the tax increment account and any such*
25 *net pledged revenues will be fully sufficient to pay the bond*
26 *requirements of the securities as they become due; and*

27 *(i) State the date, time and place of the meeting described in*
28 *subsection 1.*

29 *5. All proceedings may be modified or rescinded wholly or in*
30 *part by resolution adopted by the governing body at any time*
31 *before the governing body passes the ordinance ordering the*
32 *undertaking and creating the tax increment area and the tax*
33 *increment account pertaining thereto pursuant to section 24 of*
34 *this act.*

35 *6. Except as otherwise provided in this section, a public body*
36 *shall not make a substantial change in the undertaking, the*
37 *preliminary estimates, the proposed tax increment area or other*
38 *statements relating thereto after the first publication or posting of*
39 *notice or after the first mailing of notice to the property owners,*
40 *whichever occurs first, without additional notice and a hearing*
41 *pursuant to this section. A public body may delete a portion of the*
42 *undertaking and property from the proposed tax increment area*
43 *without notice and a hearing pursuant to this section. A*
44 *subsequent final determination of the amount of assessed*
45 *valuation of taxable property in the tax increment area or a*



1 subsequent levy of taxes does not adversely affect proceedings
2 taken pursuant to this chapter.

3 7. The engineer may make minor changes in and develop the
4 undertaking as to the time, plans and materials entering into the
5 undertaking at any time before its completion.

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

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

19 3. The mailing of any notice required in this chapter must be
20 verified by the affidavit or certificate of the engineer, clerk, deputy
21 or other person mailing the notice. Each verification of mailing
22 must be filed with the clerk and be retained in the records of the
23 municipality at least until all bonds and any other securities
24 pertaining to a tax increment account have been paid in full, or
25 any claim is barred by a statute of limitations.

26 4. A verification of mailing is prima facie evidence of the
27 mailing of the notice in accordance with the requirements of this
28 section.

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

37 2. A verification of posting is prima facie evidence of the
38 posting of the notice in accordance with the requirements of this
39 section.

40 **Sec. 22.** 1. Any notice required to be published pursuant to
41 this chapter must be published in a newspaper of general
42 circulation within the area of the tax increment area about which
43 the notice relates at least once a week for 3 consecutive weeks. The
44 first publication must be at least 15 days before the designated



1 *time or event, and the last publication must be at least 14 days*
2 *after the first publication.*

3 *2. Publication is complete on the day of the last publication.*

4 *3. Any publication required in this chapter must be verified*
5 *by the affidavit of the person who publishes the notice. Each*
6 *verification of publication must be filed with the clerk and must be*
7 *retained in the records of the municipality at least until all the*
8 *bonds and any other securities pertaining to a tax increment*
9 *account have been paid in full, or any claim is barred by a statute*
10 *of limitations.*

11 *4. A verification of publication is prima facie evidence of the*
12 *publication of the notice in accordance with the requirements of*
13 *this section.*

14 **Sec. 23.** *1. At the time and place of the hearing, the*
15 *governing body shall cause to be read and consider all written*
16 *complaints, protests, objections and other relevant comments*
17 *made in accordance with section 19 of this act and to hear all oral*
18 *complaints, protests, objections and other relevant comments*
19 *made pursuant to that section.*

20 *2. After considering all written and oral complaints, protests,*
21 *objections and other relevant comments that were properly*
22 *submitted and after considering any other relevant material put*
23 *forth, if the governing body determines that the undertaking, or a*
24 *part thereof, is not in the public interest:*

25 *(a) The governing body, by resolution, shall make an order*
26 *which states that the undertaking or a part of the undertaking, as*
27 *appropriate, is not in the public interest and which states the*
28 *reasons that the undertaking, or part of the undertaking, is not in*
29 *the public interest;*

30 *(b) The public body may, by resolution and in accordance with*
31 *the notice and hearing requirements of this chapter, modify the*
32 *proposed tax increment area or undertaking to conform to the*
33 *order; and*

34 *(c) The undertaking or part of the undertaking, as appropriate,*
35 *must be stopped until the governing body adopts a new resolution*
36 *for the undertaking which conforms to the order.*

37 *3. Any complaint, protest or objection to the regularity,*
38 *validity and correctness of the proceedings taken and the*
39 *documents made before the date of the hearing is waived unless*
40 *presented in the manner specified in this chapter.*

41 **Sec. 24.** *1. If, after considering all written and oral*
42 *complaints, protests, objections and other relevant comments that*
43 *were properly submitted and after considering any other relevant*
44 *material put forth, the governing body determines that the*
45 *undertaking is in the public interest, the governing body shall*



1 *determine whether to proceed with the undertaking. If the*
2 *governing body has ordered any modification to an undertaking*
3 *and desires to proceed, it shall direct the engineer to modify the*
4 *plans, estimate of costs and statements, as appropriate.*

5 *2. The engineer, if so directed, shall appropriately modify*
6 *them and file the modified plans, estimate of costs and statements,*
7 *as appropriate, with the clerk.*

8 *3. When the plans, estimates and statements are filed with the*
9 *clerk and are satisfactory to the governing body, if the governing*
10 *body wants to proceed with the undertaking, the governing body*
11 *shall, by ordinance:*

12 *(a) Overrule all complaints, protests and objections not*
13 *otherwise acted upon;*

14 *(b) Order the undertaking;*

15 *(c) Describe the tax increment area pertaining to the*
16 *undertaking; and*

17 *(d) Create the tax increment account for the undertaking.*

18 *4. The governing body may adopt the ordinance in the same*
19 *manner as an emergency ordinance or in the same manner as a*
20 *regular ordinance.*

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

25 *(a) Modify the undertaking by specifying new projects or*
26 *removing or modifying projects specified in the original*
27 *ordinance;*

28 *(b) Add areas to or remove areas from a tax increment area;*
29 *and*

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

33 *2. If a proposed amendment would add any area to or remove*
34 *any area from a tax increment area, the governing body shall*
35 *provide by mail notice of the date, time and place of the meeting at*
36 *which the proposed amendment will be considered to the last*
37 *known owner or owners of each tract of land proposed to be added*
38 *or removed.*

39 *3. The amount of taxes to be allocated to a tax increment*
40 *account pursuant to section 26 of this act must be computed*
41 *separately for the original tax increment area and each addition of*
42 *land thereto.*

43 **Sec. 26.** *1. After the effective date of the ordinance adopted*
44 *pursuant to section 24 of this act, any taxes levied upon taxable*
45 *property in the tax increment area each year by or for the benefit*



1 of the State, the municipality and any public body must be divided
2 as follows:

3 (a) That portion of the taxes that would be produced by the
4 rate upon which the tax is levied each year by or for each of those
5 taxing agencies upon the total sum of the assessed value of the
6 taxable property in the tax increment area as shown upon the last
7 equalized assessment roll used in connection with the taxation of
8 the property by the taxing agency, must be allocated to and when
9 collected must be paid into the funds of the respective taxing
10 agencies as taxes by or for the taxing agencies on all other
11 property are paid.

12 (b) Except as otherwise provided in subsections 2 and 3, the
13 portion of the levied taxes each year in excess of that amount must
14 be allocated to, and when collected must be paid into, the tax
15 increment account pertaining to the undertaking to pay the bond
16 requirements of loans, money advanced to, or indebtedness,
17 whether funded, refunded, assumed or otherwise, incurred by the
18 municipality to finance or refinance, in whole or in part, the
19 undertaking. Unless the total assessed valuation of the taxable
20 property in the tax increment area exceeds the total assessed value
21 of the taxable property in the area as shown by the last equalized
22 assessment roll referred to in this subsection, all of the taxes levied
23 and collected upon the taxable property in the area must be paid
24 into the funds of the respective taxing agencies. When the loans,
25 advances and indebtedness, if any, and interest thereon, have been
26 paid, all money thereafter received from taxes upon the taxable
27 property in the tax increment area must be paid into the funds of
28 the respective taxing agencies as taxes on all other property are
29 paid.

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

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

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

44 (a) In a municipality whose population is 100,000 or more, an
45 amount equal to the combined tax rates of the taxing agencies for



1 *that fiscal year multiplied by 10 percent of the total assessed*
2 *valuation of the municipality.*

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

7 *↳ If the revenue paid to a tax increment area must be limited*
8 *pursuant to paragraph (a) or (b) and the municipality has more*
9 *than one redevelopment agency or tax increment area, or one of*
10 *each, the municipality shall determine the allocation to each*
11 *agency and area. Any revenue that would be allocated to a tax*
12 *increment area but for the provisions of this section must be paid*
13 *into the funds of the respective taxing agencies.*

14 *3. Any tax that is approved on or after October 1, 2005, by a*
15 *majority of the registered voters of the tax increment area voting*
16 *upon the question, may not be allocated to or paid into the tax*
17 *increment account and must be allocated to the specific purpose*
18 *for which it was levied.*

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

22 *Sec. 27. The allowed revenue from taxes ad valorem*
23 *determined pursuant to NRS 354.59811 does not apply to tax*
24 *increment areas created pursuant to this chapter.*

25 *Sec. 28. The Federal Government, the State, any public body*
26 *or any natural person filing a written complaint, protest or*
27 *objection in the manner and within the time provided in section 19*
28 *of this act, may, within 30 days after the governing body has*
29 *finally passed on the complaint, protest or objection by resolution*
30 *pursuant to section 23 of this act or by ordinance pursuant to*
31 *section 24 of this act, commence an action or suit in a court of*
32 *competent jurisdiction to correct or set aside the determination,*
33 *but thereafter all actions or suits attacking the validity of the*
34 *proceedings are perpetually barred.*

35 *Sec. 29. 1. To defray in whole or in part the cost of any*
36 *undertaking, a municipality may issue the following securities:*

- 37 *(a) Notes;*
38 *(b) Warrants;*
39 *(c) Interim debentures;*
40 *(d) Bonds; and*
41 *(e) Temporary bonds.*

42 *2. Any net revenues derived from the operation of a project*
43 *acquired, improved or equipped, or any combination thereof, as*
44 *part of the undertaking must be pledged for the payment of any*
45 *securities issued pursuant to this section. The securities must be*



1 *made payable from any such net pledged revenues as the bond*
2 *requirements become due from time to time by the bond*
3 *ordinance, trust indenture or other proceedings that authorize the*
4 *issuance of the securities or otherwise pertain to their issuance.*

5 3. *Securities issued pursuant to this section:*

6 (a) *Must be made payable from tax proceeds accounted for in*
7 *the tax increment account; and*

8 (b) *May, at the option of the municipality, be made payable*
9 *from the taxes levied by the municipality against all taxable*
10 *property within the municipality, without limitation of rate or*
11 *amount except for the limitation provided in Section 2 of Article*
12 *10 of the Constitution of the State of Nevada.*

13 ↪ *The municipality may also issue general obligation securities*
14 *other than the ones authorized by this chapter that are made*
15 *payable from taxes without also making the securities payable*
16 *from any net pledged revenues or tax proceeds accounted for in a*
17 *tax increment account, or from both of those sources of revenue.*

18 4. *Any securities payable only in the manner provided in*
19 *either paragraph (a) of subsection 3 or both subsection 2 and*
20 *paragraph (a) of subsection 3:*

21 (a) *Are special obligations of the municipality and are not in*
22 *their issuance subject to any debt limitation imposed by law;*

23 (b) *While they are outstanding, do not exhaust the debt*
24 *incurring power of the municipality; and*

25 (c) *May be issued under the provisions of the Local*
26 *Government Securities Law, except as otherwise provided in this*
27 *chapter, without any compliance with the provisions of NRS*
28 *350.020 to 350.070, inclusive, except as otherwise provided in the*
29 *Local Government Securities Law, only after the issuance of*
30 *municipal bonds is approved under the provisions of NRS 350.011*
31 *to 350.0165, inclusive.*

32 5. *Any securities payable from taxes in the manner provided*
33 *in paragraph (b) of subsection 3, regardless of whether they are*
34 *also payable in the manner provided in paragraph (a) of*
35 *subsection 3 or in both subsection 2 and paragraph (a) of*
36 *subsection 3:*

37 (a) *Are general obligations of the municipality and are in their*
38 *issuance subject to such debt limitation;*

39 (b) *While they are outstanding, do exhaust the power of the*
40 *municipality to incur debt; and*

41 (c) *May be issued under the provisions of the Local*
42 *Government Securities Law only after the issuance of municipal*
43 *bonds is approved under the provisions of:*

44 (1) *NRS 350.011 to 350.0165, inclusive; or*

45 (2) *NRS 350.020 to 350.070, inclusive,*



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

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

16 **Sec. 30.** Any securities issued by a municipality for a tax
17 increment area pursuant to this chapter must mature and be fully
18 paid, including any interest thereon, before the expiration of the
19 tax increment area.

20 **Sec. 31.** The municipality may:

21 1. Accept contributions or loans from the Federal
22 Government, the State or any public body, or any combination
23 thereof, for the purpose of financing the planning, acquisition,
24 improvement, equipment, maintenance and operation of any
25 enterprise pertaining to an undertaking in which the municipality
26 is authorized to engage.

27 2. Enter into contracts and cooperate with, and accept
28 cooperation from, the Federal Government, the State or any
29 public body, or any combination thereof, in the planning,
30 acquisition, improvement, equipment, maintenance and operation,
31 and in financing the planning, acquisition, improvement,
32 equipment, maintenance and operation of any such enterprise in
33 accordance with any legislation that Congress, the State
34 Legislature or the governing body of any public body, or any
35 combination thereof, may have adopted or may adopt.

36 3. Accept such aid, assistance and cooperation as may be
37 furnished by the Federal Government, this State or public body, or
38 any combination thereof, in the planning, acquisition,
39 improvement and equipment or in financing the planning,
40 acquisition, improvement, equipment, maintenance and operation
41 of any such enterprise, including, without limitation, costs of
42 engineering, architectural and economic investigations and
43 studies, surveys, designs, plans, working drawings, specifications,
44 procedures and other action preliminary to the acquisition,
45 improvement or equipment of any project, and may do all things



1 *necessary to avail itself of such aid, assistance and cooperation*
2 *pursuant to any federal or state legislation.*

3 *4. Enter into, without any election, joint operating or service*
4 *contracts and agreements, acquisition, improvement, equipment or*
5 *disposal contracts, or other arrangements for any term not*
6 *extending beyond the expiration of the tax increment area, with*
7 *the Federal Government, the State or any public body, or any*
8 *combination thereof, concerning the undertaking, and any project*
9 *or property pertaining thereto, whether acquired by the*
10 *municipality, the Federal Government, the State or any public*
11 *body, or any combination thereof, and may accept grants and*
12 *contributions from the Federal Government, the State, any public*
13 *body or any person, or any combination thereof, in connection*
14 *therewith.*

15 *5. When determined by the governing body to be in the public*
16 *interest, enter into and perform contracts and agreements, without*
17 *any election, for any term not extending beyond the expiration of*
18 *the tax increment area, with the Federal Government, the State,*
19 *any public body or any person, or any combination thereof, for the*
20 *provision and operation by the municipality of any facilities*
21 *whether or not pertaining to the undertaking of the municipality*
22 *or any project relating thereto and the payment periodically*
23 *thereby to the municipality of amounts at least sufficient, if any, in*
24 *the determination of the governing body, to compensate the*
25 *municipality for the cost of providing, operating and maintaining*
26 *the facilities serving the Federal Government, the State, the public*
27 *body or person, or otherwise.*

28 *6. Enter into and perform, without any election, contracts*
29 *and agreements with the Federal Government, the State, any*
30 *public body or any person, or a combination thereof, for or*
31 *concerning the planning, construction, lease or other acquisition,*
32 *improvement, equipment, operation, maintenance, disposal and*
33 *the financing of any property pertaining to the facilities of the*
34 *municipality or to any undertaking or any project of the*
35 *municipality, or otherwise, including, without limitation, any*
36 *contract or agreement for any term not extending beyond the*
37 *expiration of the tax increment area.*

38 *7. Cooperate with and act in conjunction with the Federal*
39 *Government, or any of its engineers, officers, boards, commissions*
40 *or departments, or with the State, or any of its engineers, officers,*
41 *boards, commissions or departments, or with any public body or*
42 *any person in the acquisition, improvement or equipment of any*
43 *facilities or any project authorized for the municipality or for any*
44 *other works, acts or purposes provided for herein, and may adopt*



1 *and carry out any definite plan or system of work for any such*
2 *purpose.*

3 8. *Cooperate with the Federal Government, the State or any*
4 *public body, or any combination thereof, by an agreement*
5 *therewith by which the municipality may:*

6 (a) *Acquire and provide, without cost to the cooperating entity,*
7 *the land, easements and rights-of-way necessary for the*
8 *acquisition, improvement or equipment, or any combination*
9 *thereof, of any properties pertaining to the undertaking or any*
10 *other facilities;*

11 (b) *Hold and save harmless the cooperating entity free from*
12 *any claim for damages arising from the acquisition, improvement,*
13 *equipment or any combination thereof, of any facilities;*

14 (c) *Maintain and operate any facilities in accordance with*
15 *regulations prescribed by the cooperating entity; and*

16 (d) *Adopt and enforce regulations, if any, concerning the*
17 *facilities and satisfactory to the cooperating entity.*

18 9. *For a term not extending beyond the expiration of the tax*
19 *increment area, or otherwise, without an election, provide by*
20 *contract for:*

21 (a) *The joint use of personnel, equipment and facilities of the*
22 *municipality, the Federal Government, the State or any public*
23 *body, or any combination thereof, including, without limitation,*
24 *public buildings constructed by or under the supervision of the*
25 *governing body of the municipality or the other party or parties to*
26 *the contract concerned, upon such terms and agreements and*
27 *within such areas within the municipality as may be determined,*
28 *for the promotion and protection of health, comfort, safety, life,*
29 *welfare and property of the inhabitants of the municipality, the*
30 *Federal Government, the State, any such public body and any*
31 *persons of interest, as the case may be; and*

32 (b) *The joint employment of clerks, stenographers and other*
33 *employees pertaining to the facilities, any project or the*
34 *undertaking, now existing or hereafter established in the*
35 *municipality, upon such terms and conditions as may be*
36 *determined for the equitable apportionment of the expenses*
37 *therefrom resulting.*

38 10. *In connection with any facilities of the municipality or*
39 *any part of the facilities, acquired or proposed in connection with*
40 *an undertaking, or with any project, consult with any regulatory*
41 *or other agency of the Federal Government, the State or any*
42 *public body and submit plans, specifications, or other instruments*
43 *or documents, or any combination thereof, to each such*
44 *governmental agency for its review, recommendations and other*
45 *comments.*



Sec. 32. For purposes of this chapter:

1. Facilities may consist of all properties, real, personal, mixed or otherwise, acquired by the municipality, by any undertaking for any one or more projects, through purchase, condemnation, construction or otherwise, and used in connection with any such project and related services or in any way pertaining thereto, situated within the territorial limits of the municipality.

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

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

Sec. 33. *A tax increment area must expire not more than 30 years after the date on which the ordinance which creates the area becomes effective.*

Sec. 34. *1. This chapter, without reference to other statutes of this State, except as otherwise expressly provided in this chapter, constitutes full authority for the exercise of powers granted in this chapter.*

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

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

Sec. 35. NRS 274.240 is hereby amended to read as follows:

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

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

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



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

4. Develop and carry out a plan to:

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

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

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

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

Sec. 36. NRS 354.59811 is hereby amended to read as follows:

354.59811 1. Except as otherwise provided in NRS 244.377, 354.59813, 354.59815, 354.59818, 354.5982, 354.5987, 354.705, 354.723, 450.425, 450.760, 540A.265 and 543.600, *and section 27 of this act*, for each fiscal year beginning on or after July 1, 1989, the maximum amount of money that a local government, except a school district, a district to provide a telephone number for emergencies or a redevelopment agency, may receive from taxes ad valorem, other than those attributable to the net proceeds of minerals or those levied for the payment of bonded indebtedness and interest thereon incurred as general long-term debt of the issuer, or for the payment of obligations issued to pay the cost of a water project pursuant to NRS 349.950, or for the payment of obligations under a capital lease executed before April 30, 1981, must be calculated as follows:

(a) The rate must be set so that when applied to the current fiscal year's assessed valuation of all property which was on the preceding fiscal year's assessment roll, together with the assessed valuation of property on the central assessment roll which was allocated to the local government, but excluding any assessed valuation attributable to the net proceeds of minerals, assessed valuation attributable to a redevelopment area and assessed valuation of a fire protection district attributable to real property which is transferred from private ownership to public ownership for the purpose of conservation, it will produce 106 percent of the maximum revenue allowable from taxes ad valorem for the preceding fiscal year, except that the rate so determined must not be less than the rate allowed for the previous



1 fiscal year, except for any decrease attributable to the imposition of
2 a tax pursuant to NRS 354.59813 in the previous year.

3 (b) This rate must then be applied to the total assessed valuation,
4 excluding the assessed valuation attributable to the net proceeds of
5 minerals and the assessed valuation of a fire protection district
6 attributable to real property which is transferred from private
7 ownership to public ownership for the purpose of conservation, but
8 including new real property, possessory interests and mobile homes,
9 for the current fiscal year to determine the allowed revenue from
10 taxes ad valorem for the local government.

11 2. As used in this section, “general long-term debt” does not
12 include debt created for medium-term obligations pursuant to NRS
13 350.087 to 350.095, inclusive.

14 **Sec. 37.** This act becomes effective on July 1, 2005.



