

CHAPTER.....

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 33, 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.*

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

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

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

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

**Sec. 10.** *“Posting” means posting in three public places at or near the site of the undertaking or any project designated at least 20 days before the designated hearing or other time or event.*

**Sec. 11.** *“Publication” or “publish” means publication in at least one newspaper, except as otherwise expressly provided or necessarily implied in this chapter, at least once a week for 3*

*consecutive weeks by three weekly insertions, the first publication being at least 15 days before the designated time or event.*

**Sec. 12.** *“Specially benefited zone” means an area which is specially benefited by an undertaking under this chapter.*

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

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

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

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

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

*4. In which is located the taxable property the assessed valuation of which is the basis for the allocation of tax proceeds to the tax increment account pursuant to section 27 of this act.*

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

*1. In the case of counties:*

*(a) A drainage and flood control project, as defined in NRS 244A.027;*

*(b) An overpass project, as defined in NRS 244A.037;*

*(c) A sewerage project, as defined in NRS 244A.0505;*

*(d) A street project, as defined in NRS 244A.053;*

*(e) An underpass project, as defined in NRS 244A.055; or*

*(f) A water project, as defined in NRS 244A.056.*

*2. In the case of cities:*

*(a) A drainage project or flood control project, as defined in NRS 268.682;*

*(b) An overpass project, as defined in NRS 268.700;*

*(c) A sewerage project, as defined in NRS 268.714;*

*(d) A street project, as defined in NRS 268.722;*

*(e) An underpass project, as defined in NRS 268.726; or*

*(f) A water project, as defined in NRS 268.728.*

**Sec. 16.** *(Deleted by amendment.)*

**Sec. 17.** *1. Except as otherwise provided in subsections 2, 3 and 4, the governing body of a municipality, on the behalf and in the name of the municipality, may designate a tax increment area comprising any specially benefited zone within the municipality designated for the purpose of creating a special account for the payment of bonds or other securities issued to defray the cost of an undertaking, including, without limitation, the condemnation of property for an undertaking, as supplemented by the Local Government Securities Law, except as otherwise provided in this chapter.*

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

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

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

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

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

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

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

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

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

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

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

3. *The resolution must designate the tax increment area or its location, so that the various tracts of taxable real property and any taxable personal property can be identified and determined to be*

*within or without the proposed tax increment area, but need not describe in minute detail each tract of real property proposed to be included within the tax increment area.*

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

*5. Upon the filing of the preliminary plans, estimate of costs and statements with the clerk, the governing body shall examine 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 not delinquent, resulting from the last taxation of the property, based upon the records of the county assessor and the county treasurer;

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

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

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

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

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

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

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

6. Except as otherwise provided in this section, a public body shall not make a substantial change in the undertaking, the preliminary estimates, the proposed tax increment area or other statements relating thereto after the first publication or posting of

*notice or after the first mailing of notice to the property owners, whichever occurs first, without additional notice and a hearing pursuant to this section. A public body may delete a portion of the undertaking and property from the proposed tax increment area without notice and a hearing pursuant to this section. A subsequent final determination of the amount of assessed valuation of taxable property in the tax increment area or a subsequent levy of taxes does not adversely affect proceedings taken pursuant to this chapter.*

*7. The engineer may make minor changes in and develop the undertaking as to the time, plans and materials entering into the undertaking at any time before its completion. Any minor changes authorized by this subsection must be made a matter of public record at a public meeting of the governing body.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Any complaint, protest or objection to the regularity, validity and correctness of the proceedings taken and the



*documents made before the date of the hearing is waived unless presented in the manner specified in this chapter.*

**Sec. 24.** *1. If, after considering all written and oral complaints, protests, objections and other relevant comments that were properly submitted and after considering any other relevant material put forth, the governing body determines that the undertaking is in the public interest and defines that public interest, the governing body shall determine whether to proceed with the undertaking. If the governing body has ordered any modification to an undertaking and desires to proceed, it shall direct the engineer to modify the plans, estimate of costs and statements, as appropriate.*

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

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

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

*(b) Order the undertaking;*

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

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

*4. The governing body must adopt the ordinance in the same manner as a regular ordinance.*

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

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

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

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

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



3. *The amount of taxes to be allocated to a tax increment account pursuant to section 27 of this act must be computed separately for the original tax increment area and each addition of land thereto.*

**Sec. 26.** *The provisions of NRS 338.010 to 338.090, inclusive, apply to any construction work to be performed under any contract or other agreement related to an undertaking ordered by a governing body pursuant to this chapter.*

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

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

*(b) Except as otherwise provided in this section, the portion of the taxes levied each year in excess of the amount determined pursuant to paragraph (a) must be allocated to, and when collected must be paid into, the tax increment account pertaining to the undertaking to pay the bond requirements of loans, money advanced to, or indebtedness, whether funded, refunded, assumed or otherwise, incurred by the municipality to finance or refinance, in whole or in part, the undertaking. Unless the total assessed valuation of the taxable property in the tax increment area exceeds the total assessed value of the taxable property in the area as shown by the last equalized assessment roll referred to in this subsection, all of the taxes levied and collected upon the taxable property in the area must be paid into the funds of the respective taxing agencies. When the loans, advances and indebtedness, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the tax increment area must be paid into the funds of the respective taxing agencies as taxes on all other property are paid.*

*(c) The amount of the taxes levied each year which are paid into the tax increment account pursuant to paragraph (b) must be limited by the governing body to an amount not to exceed the combined total amount required for annual debt service of the project or projects acquired, improved or equipped, or any combination thereof, as part of the undertaking.*

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

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

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

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

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

*3. The portion of the taxes levied each year in excess of the amount determined pursuant to paragraph (a) of subsection 1 which is attributable to any tax rate levied by a taxing agency:*

*(a) To produce revenue in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness that was approved by a majority of the registered voters within the area of the taxing agency voting upon the question, must be allocated to, and when collected must be paid into, the debt service fund of that taxing agency.*

*(b) In excess of any tax rate of that taxing agency applicable to the last taxation of the property before the effective date of the ordinance, if that additional rate was approved by a majority of the registered voters within the area of the taxing agency voting upon the question, must be allocated to, and when collected must be paid into, the appropriate fund of that taxing agency.*

*(c) Pursuant to NRS 387.3285 or 387.3287, if that rate was approved by a majority of the registered voters within the area of the taxing agency voting upon the question, must be allocated to, and when collected must be paid into, the appropriate fund of that taxing agency.*

*(d) For the support of the public schools within a county school district pursuant to NRS 387.195, must be allocated to, and*

*when collected must be paid into, the appropriate fund of that taxing agency.*

*4. The provisions of paragraph (a) of subsection 3 include, without limitation, a tax rate approved for bonds of a county school district issued pursuant to NRS 350.020, including, without limitation, amounts necessary for a reserve account in the debt service fund.*

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

*Sec. 28. The allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811 does not apply to tax increment areas created pursuant to this chapter.*

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

*Sec. 30. 1. To defray in whole or in part the cost of any undertaking, a municipality may issue the following securities:*

- (a) Notes;*
- (b) Warrants;*
- (c) Interim debentures;*
- (d) Bonds; and*
- (e) Temporary bonds.*

*2. Any net revenues derived from the operation of a project acquired, improved or equipped, or any combination thereof, as part of the undertaking must be pledged for the payment of any securities issued pursuant to this section. The securities must be made payable from any such net pledged revenues as the bond requirements become due from time to time by the bond ordinance, trust indenture or other proceedings that authorize the issuance of the securities or otherwise pertain to their issuance.*

*3. Securities issued pursuant to this section:*

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

*(b) May, at the option of the municipality and if otherwise so authorized by law, be made payable from the taxes levied by the municipality against all taxable property within the municipality.*

*↪ The municipality may also issue general obligation securities other than the ones authorized by this chapter that are made*

*payable from taxes without also making the securities payable from any net pledged revenues or tax proceeds accounted for in a tax increment account, or from both of those sources of revenue.*

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

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

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

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

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

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

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

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

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

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

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

*6. In the proceedings for the advancement of money, or the making of loans, or the incurrence of any indebtedness, whether funded, refunded, assumed or otherwise, by the municipality to finance or refinance, in whole or in part, the undertaking, the portion of taxes mentioned in subsection 2 of section 27 of this act must be irrevocably pledged for the payment of the bond requirements of the loans, advances or indebtedness. The provisions in the Local Government Securities Law pertaining to net pledged revenues are applicable to such a pledge to secure the payment of tax increment bonds.*

**Sec. 31.** *Any securities issued by a municipality for a tax increment area pursuant to this chapter must mature and be fully paid, including any interest thereon, before the expiration of the tax increment area.*

**Sec. 32.** *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. 33.** *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. 34.** 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 33, 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. 35.** 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 28 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 fiscal year, except for any decrease attributable to the imposition of a tax pursuant to NRS 354.59813 in the previous year.

(b) This rate must then be applied to the total assessed valuation, excluding the assessed valuation attributable to the net proceeds of minerals and the 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, but including new real property, possessory interests and mobile homes, for the current fiscal year to determine the allowed revenue from taxes ad valorem for the local government.

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

**Sec. 36.** This act becomes effective on July 1, 2005.



