

CHAPTER.....

AN ACT relating to impact fees; clarifying that the costs of construction for which a local government may impose impact fees include the cost of connecting a capital improvement or facility expansion to water and sewer lines and facilities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes local governments to impose by ordinance impact fees to pay the cost of constructing capital improvements and facility expansions required as the result of new development. (NRS 278B.160) This bill clarifies that the costs of construction for which impact fees may be imposed include the cost of connecting capital improvements and facility expansions to water and sewer lines and facilities.

Existing law defines “service area” for the purpose of provisions of law relating to impact fees as any area within a city or county that is served and benefited by capital improvements or facilities expansions set forth in a capital improvements plan. (NRS 278B.100) This bill alters that definition so that new development must necessitate the capital improvements or facility expansions for an area to be considered a service area. This bill also provides that a service area cannot be the entire area of a city or county, unless the city has a population of less than 10,000 (currently Caliente, Carlin, Ely, Fallon, Fernley, Lovelock, Mesquite, Wells, West Wendover, Winnemucca and Yerington) or the county has a population of less than 15,000 (currently Esmeralda, Eureka, Lander, Lincoln, Mineral, Pershing, Storey and White Pine Counties).

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 278B.100 is hereby amended to read as follows:

278B.100 “Service area” means ~~the~~ *any specified* area within the boundaries of ~~the~~ *a* local government *in which new development necessitates capital improvements or facility expansions and within which new development* is served *directly* and benefited by the capital improvement or ~~facilities~~ *facility* expansion as set forth in the capital improvements plan. *The term does not include any area that makes up the entire area of a local government, unless the local government is a city whose population is 10,000 or less or a county whose population is 15,000 or less.*

Sec. 2. NRS 278B.160 is hereby amended to read as follows:

278B.160 1. A local government may by ordinance impose an impact fee in a service area to pay the cost of constructing a



capital improvement or facility expansion necessitated by and attributable to new development. Except as otherwise provided in NRS 278B.220, the cost may include only:

(a) The estimated cost of actual construction ~~of~~ , *including, without limitation, the cost of connecting a capital improvement or facility expansion to a line or facility used to provide water or sewer service;*

(b) Estimated fees for professional services;

(c) The estimated cost to acquire the land; and

(d) The fees paid for professional services required for the preparation or revision of a capital improvements plan in anticipation of the imposition of an impact fee.

2. All property owned by a school district is exempt from the requirement of paying impact fees imposed pursuant to this chapter.

Sec. 3. This act becomes effective on July 1, 2007.

