

SENATE BILL NO. 234—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE CITY OF LAS VEGAS)

MARCH 7, 2007

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the division of the proceeds of certain taxes. (BDR 22-490)

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 ~~fomitted material~~ is material to be omitted.

AN ACT relating to redevelopment; providing that the proceeds of taxes which are levied by or for the benefit of a school district must be excluded from certain calculations used to determine the revenue that is allocable to a redevelopment agency from the imposition of certain taxes; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Under existing law, a redevelopment plan may contain a provision for the
2 allocation of a certain portion of the proceeds of certain ad valorem taxes to a
3 redevelopment agency. (NRS 279.386, 279.674-279.685) This bill provides that, in
4 the calculations prescribed to determine the amount of levied taxes that are
5 allocable to a redevelopment agency, taxes that are levied by or for the benefit of a
6 school district must be excluded.
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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 279.676 is hereby amended to read as follows:
2 279.676 1. Any redevelopment plan may contain a provision
3 that taxes, if any, levied upon taxable property in the redevelopment
4 area each year by or for the benefit of the State, any city, county,
5 district or other public corporation, after the effective date of the
6 ordinance approving the redevelopment plan, must be divided as
7 follows:



(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the redevelopment area as shown upon the assessment roll used in connection with the taxation of the property by the taxing agency, last equalized before the effective date of the ordinance, must be allocated to and when collected must be paid into the funds of the respective taxing agencies as taxes by or for such taxing agencies on all other property are paid. To allocate taxes levied by or for any taxing agency or agencies which did not include the territory in a redevelopment area on the effective date of the ordinance but to which the territory has been annexed or otherwise included after the effective date, the assessment roll of the county last equalized on the effective date of the ordinance must be used in determining the assessed valuation of the taxable property in the redevelopment area on the effective date. If property which was shown on the assessment roll used to determine the amount of taxes allocated to the taxing agencies is transferred to the State and becomes exempt from taxation, the assessed valuation of the exempt property as shown on the assessment roll last equalized before the date on which the property was transferred to the State must be subtracted from the assessed valuation used to determine the amount of revenue allocated to the taxing agencies.

(b) Except as otherwise provided in paragraphs (c) and (d) and NRS 540A.265, that portion of the levied taxes each year in excess of the amount set forth in paragraph (a) must be allocated to and when collected must be paid into a special fund of the redevelopment agency to pay the costs of redevelopment and to pay the principal of and interest on loans, money advanced to, or indebtedness, whether funded, refunded, assumed, or otherwise, incurred by the redevelopment agency to finance or refinance, in whole or in part, redevelopment. Unless the total assessed valuation of the taxable property in a redevelopment area exceeds the total assessed value of the taxable property in the redevelopment area as shown by the assessment roll last equalized before the effective date of the ordinance approving the redevelopment plan, less the assessed valuation of any exempt property subtracted pursuant to paragraph (a), all of the taxes levied and collected upon the taxable property in the redevelopment area must be paid into the funds of the respective taxing agencies. When the redevelopment plan is terminated pursuant to the provisions of NRS 279.438 and 279.439 and all loans, advances and indebtedness, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the redevelopment area must be paid



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1 into the funds of the respective taxing agencies as taxes on all other
2 property are paid.

3 (c) That portion of the taxes in excess of the amount set forth in
4 paragraph (a) that is attributable to a tax rate levied by a taxing
5 agency to produce revenues in an amount sufficient to make annual
6 repayments of the principal of, and the interest on, any bonded
7 indebtedness that was approved by the voters of the taxing agency
8 on or after November 5, 1996, must be allocated to and when
9 collected must be paid into the debt service fund of that taxing
10 agency.

11 (d) That portion of the taxes in excess of the amount set forth in
12 paragraph (a) that is attributable to a new or increased tax rate levied
13 by a taxing agency and was approved by the voters of the taxing
14 agency on or after November 5, 1996, must be allocated to and
15 when collected must be paid into the appropriate fund of the taxing
16 agency.

17 *(e) The calculations set forth in paragraphs (a) to (d),*
18 *inclusive, for the division of the proceeds of taxes must exclude the*
19 *proceeds of any taxes levied by or for the benefit of a school*
20 *district.*

21 2. Except as otherwise provided in subsection 3, in any fiscal
22 year, the total revenue paid to a redevelopment agency must not
23 exceed:

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

28 (b) In a municipality whose population is 25,000 or more but
29 less than 100,000, an amount equal to the combined tax rates of the
30 taxing agencies for that fiscal year multiplied by 15 percent of the
31 total assessed valuation of the municipality.

32 (c) In a municipality whose population is less than 25,000, an
33 amount equal to the combined tax rates of the taxing agencies for
34 that fiscal year multiplied by 20 percent of the total assessed
35 valuation of the municipality.

36 ➔ If the revenue paid to a redevelopment agency must be limited
37 pursuant to paragraph (a), (b) or (c) and the redevelopment agency
38 has more than one redevelopment area, the redevelopment agency
39 shall determine the allocation to each area. Any revenue which
40 would be allocated to a redevelopment agency but for the provisions
41 of this section must be paid into the funds of the respective taxing
42 agencies.

43 3. The taxing agencies shall continue to pay to a
44 redevelopment agency any amount which was being paid before
45 July 1, 1987, and in anticipation of which the agency became



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1 obligated before July 1, 1987, to repay any bond, loan, money
2 advanced or any other indebtedness, whether funded, refunded,
3 assumed or otherwise incurred.

4 4. For the purposes of this section, the assessment roll last
5 equalized before the effective date of the ordinance approving the
6 redevelopment plan is the assessment roll in existence on March 15
7 immediately preceding the effective date of the ordinance.

8 **Sec. 2.** Except as otherwise provided in section 3 of this act,
9 the provisions of NRS 279.676, as amended by section 1 of this act,
10 apply with respect to the division of taxes, or the proceeds of taxes,
11 pursuant to or in connection with a redevelopment plan that is
12 adopted on or after July 1, 2007.

13 **Sec. 3.** 1. The provisions of NRS 279.676, as amended by
14 section 1 of this act, do not apply to modify, directly or indirectly,
15 any taxes levied or revenues pledged in such a manner as to impair
16 adversely any outstanding obligations of a community or
17 redevelopment agency, including, without limitation, bonds,
18 medium-term financing, letters of credit and any other financial
19 obligation, until all such obligations have been discharged in full or
20 provision for their payment and redemption has been fully made.

21 2. As used in this section:

22 (a) "Community" has the meaning ascribed to it in
23 NRS 279.392.

24 (b) "Redevelopment agency" has the meaning ascribed to the
25 term "agency" in NRS 279.386.

26 **Sec. 4.** This act becomes effective on July 1, 2007.

