

Amendment No. 1007

Senate Amendment to Assembly Bill No. 397 Second Reprint (BDR 22-130)

Proposed by: Senate Committee on Finance

Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date	
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____		Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold dashed underlining* is newly added transitory language.

RBL



Date: 6/1/2009

A.B. No. 397—Authorizes redevelopment agencies to expend money to improve schools located within certain areas under certain circumstances.
(BDR 22-130)



ASSEMBLY BILL NO. 397—ASSEMBLYMEN HARDY; GANSERT, GOEDHART, HAMBRICK
AND STEWART

MARCH 16, 2009

JOINT SPONSOR: SENATOR HARDY

Referred to Committee on Government Affairs

SUMMARY—~~[Authorizes redevelopment agencies to expend money to improve schools located within certain areas under certain circumstances.]~~ Makes various changes related to redevelopment agencies and redevelopment plans.
(BDR 22-130)

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 community redevelopment; authorizing legislative bodies to terminate a redevelopment plan in certain circumstances; allowing redevelopment agencies to expend money, subject to certain limitations, to improve schools located within certain cities or counties; requiring redevelopment agencies to file certain reports with the Director of the Legislative Counsel Bureau and with their respective governing bodies; ~~[making an appropriation]~~ and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 2 of this bill allows a legislative body to terminate a redevelopment plan before the date by which completion is required in certain circumstances. Sections 2 and 5.5 of this bill provide for the continuation of tax allocations until all obligations that were entered into before the termination have been repaid.

Existing law authorizes the legislative body of a community, having recognized the need for a redevelopment agency to function in the community, to establish a redevelopment revolving fund. (NRS 279.386, 279.396, 279.410, 279.620) Existing law also specifies the manner in which, and the permissible purposes for which, money may be expended from the redevelopment revolving fund. (NRS 279.628) **Section 4** of this bill expands the permissible purposes for which money may be expended from a redevelopment revolving fund to include use by a redevelopment agency for the improvement, with certain limitations, of schools in a city or county with a redevelopment area within its boundaries. ~~Sections 4 and 6~~ **Sections 2.5 and 6** of this bill require a redevelopment agency to submit to the Director of the Legislative Counsel Bureau for transmittal to the Legislature and to the legislative body of the community a report when the agency has established a new redevelopment area and annual reports thereafter containing certain information relating to the redevelopment area.

~~[Section 6 of this bill makes an appropriation of \$15,000 to the Audit Division of the Legislative Counsel Bureau to conduct an audit of the use of property tax revenues received by redevelopment agencies.]~~

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

Section 1. Chapter 279 of NRS is hereby amended by adding thereto ~~[a new section to read as follows:]~~ the provisions set forth as sections 2 and 2.5 of this act.

Sec. 2. 1. At any time before the date set forth in NRS 279.438 or 279.439, a legislative body may terminate the redevelopment plan.

2. A city council or board of county commissioners, or for Carson City, the Board of Supervisors, may terminate a redevelopment plan pursuant to this section by ordinance.

3. The electors of a city or county may terminate a redevelopment plan pursuant to this section through referendum.

4. Upon termination of a redevelopment plan pursuant to this section, tax allocations pursuant to NRS 279.676 must continue until all obligations lawfully entered into before the termination of the plan have been repaid.

Sec. 2.5. 1. In addition to the report required pursuant to the provisions of subsection 2, and subject to the provisions of subsection 3, for each redevelopment area for which a redevelopment plan is adopted pursuant to the provisions of NRS 279.586 after the effective date of this act, on or before the January 1 next after the adoption of the plan, the agency shall submit to the Director of the Legislative Counsel Bureau, for transmittal to the Legislature, and to the legislative body a report on a form prescribed by the Committee on Local Government Finance that includes, without limitation, the following information for the redevelopment area:

- (a) A legal description of the boundaries of the redevelopment area;
- (b) The date on which the redevelopment plan for the redevelopment area was adopted;
- (c) The scheduled termination date of the redevelopment plan;
- (d) The total sum of the assessed value of the taxable property in the redevelopment area for:

(1) The fiscal year immediately preceding the adoption of the redevelopment plan; and

(2) The fiscal year during which the redevelopment plan was adopted, if such fiscal year ends before the reporting deadline;

- (e) The combined overlapping tax rate of the redevelopment area;
- (f) The property tax rate of the redevelopment area;
- (g) The property tax revenue expected to be received from any tax increment area, as defined in NRS 278C.130, within the redevelopment area during the first fiscal year that the agency will receive an allocation pursuant to the provisions of NRS 279.676;

(h) Copies of any memoranda of understanding that the agency enters into during the fiscal year in which the redevelopment plan was adopted; and

(i) The amortization schedule for any debt incurred for the redevelopment area and the reasons for incurring the debt.

2. On or before January 1 of each year, for each redevelopment area for which a redevelopment plan has been adopted pursuant to the provisions of NRS

279.586, the agency shall submit to the Director of the Legislative Counsel Bureau, for transmittal to the Legislature, and to the legislative body a report on a form prescribed by the Committee on Local Government Finance that includes, without limitation, the following information for the redevelopment area for the previous fiscal year:

(a) The property tax revenue received from any tax increment area, as defined in NRS 278C.130, within the redevelopment area;

(b) The combined overlapping tax rate of the redevelopment area;

(c) The property tax rate of the redevelopment area;

(d) The total sum of the assessed value of the taxable property in the redevelopment area;

(e) If the amount reported pursuant to the provisions of paragraph (d) is less than the amount reported pursuant to the provisions of paragraph (d) for any other previous fiscal year, an explanation of the reason for the difference;

(f) Copies of any memoranda of understanding that the agency enters into;

(g) The amortization schedule for any debt incurred for the redevelopment area, and the reasons for incurring the debt; and

(h) Any change to the boundary of the redevelopment area and an explanation of the reason for the change.

3. Any report for a redevelopment area submitted pursuant to the provisions of subsection 1 must be submitted with the report for the redevelopment area submitted pursuant to the provisions of subsection 2.

~~[Sec. 2.]~~ Sec. 3. NRS 279.382 is hereby amended to read as follows:

279.382 The provisions contained in NRS 279.382 to 279.685, inclusive, ~~and~~ ~~[section 4]~~ sections 2 and 2.5 of this act ~~[.]~~ may be cited as the Community Redevelopment Law.

~~[Sec. 3.]~~ Sec. 4. NRS 279.384 is hereby amended to read as follows:

279.384 As used in NRS 279.382 to 279.685, inclusive, ~~and~~ ~~[section 4]~~ sections 2 and 2.5 of this act, unless the context otherwise requires, the words and terms defined in NRS 279.386 to 279.414, inclusive, have the meanings ascribed to them in those sections.

~~[Sec. 4.]~~ Sec. 5. NRS 279.628 is hereby amended to read as follows:

279.628 1. By resolution of the legislative body adopted by a majority vote any money in the redevelopment revolving fund may be expended from time to time for:

(a) The acquisition of real property in any redevelopment area.

(b) The clearance, aiding in relocation of occupants of the site and preparation of any redevelopment area for redevelopment.

2. By resolution of the legislative body adopted by a two-thirds vote, any money in the redevelopment revolving fund may be paid to the agency, upon such terms and conditions as the legislative body may prescribe for any of the following purposes:

(a) Deposit in a trust fund to be expended for the acquisition of real property in any redevelopment area.

(b) The clearance of any redevelopment area for redevelopment.

(c) Any expenses necessary or incidental to the carrying out of a redevelopment plan which has been adopted by the legislative body.

(d) Subject to the provisions of subsection 3, to be used by the agency for the improvement of schools in the community.

3. Money paid to the agency pursuant to paragraph (d) of subsection 2 may only be in the form of grants and may not be used for any regular expenses of a school.

Sec. 5.5. NRS 279.676 is hereby amended to read as follows:

279.676 1. Any redevelopment plan may contain a provision that taxes, if any, levied upon taxable property in the redevelopment area each year by or for the benefit of the State, any city, county, district or other public corporation, after the effective date of the ordinance approving the redevelopment plan, must be divided as 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 or section 2 of this act 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 into the funds of the respective taxing agencies as taxes on all other property are paid.

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

(d) That portion of the taxes in excess of the amount set forth in paragraph (a) that is attributable to a new or increased tax rate levied by a taxing agency and was approved by the voters of the taxing agency on or after November 5, 1996, must be

1 allocated to and when collected must be paid into the appropriate fund of the taxing
2 agency.

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

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

8 (b) In a municipality whose population is 25,000 or more but less than
9 100,000, an amount equal to the combined tax rates of the taxing agencies for that
10 fiscal year multiplied by 15 percent of the total assessed valuation of the
11 municipality.

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

15 If the revenue paid to a redevelopment agency must be limited pursuant to
16 paragraph (a), (b) or (c) and the redevelopment agency has more than one
17 redevelopment area, the redevelopment agency shall determine the allocation to
18 each area. Any revenue which would be allocated to a redevelopment agency but
19 for the provisions of this section must be paid into the funds of the respective taxing
20 agencies.

21 3. The taxing agencies shall continue to pay to a redevelopment agency any
22 amount which was being paid before July 1, 1987, and in anticipation of which the
23 agency became obligated before July 1, 1987, to repay any bond, loan, money
24 advanced or any other indebtedness, whether funded, refunded, assumed or
25 otherwise incurred.

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

30 ~~Sec. 5.~~ **Sec. 6.** On or before January 1, 2010, for each redevelopment
31 area for which a redevelopment plan has been adopted pursuant to the provisions of
32 NRS 279.586, the agency shall submit to the Director of the Legislative Counsel
33 Bureau, for transmittal to the Legislature, and to the legislative body a report on a
34 form prescribed by the Committee on Local Government Finance that includes,
35 without limitation, the following information for the redevelopment area:

36 1. A legal description of the boundaries of the redevelopment area;
37 2. The date on which the redevelopment plan for the redevelopment area was
38 adopted;

39 3. The scheduled termination date of the redevelopment plan;
40 4. The total sum of the assessed value of the taxable property in the
41 redevelopment area for:

42 (a) The fiscal year immediately preceding the adoption of the redevelopment
43 plan; and

44 (b) The fiscal year during which the redevelopment plan was adopted;

45 5. The combined overlapping tax rate of the redevelopment area;

46 6. The property tax rate of the redevelopment area;

47 7. The property tax revenue received from any tax increment area, as defined
48 in NRS 278C.130, within the redevelopment area for the fiscal year ending June 30,
49 2009;

50 8. Copies of any memoranda of understanding that the agency enters into
51 during the fiscal year ending June 30, 2009; and

52 9. The amortization schedule for any debt incurred for the redevelopment area
53 and the reasons for incurring the debt.

1 ~~[Sec. 6.]~~ **Sec. 7.** ~~{1. There is hereby appropriated from the State General~~
2 ~~Fund to the Audit Division of the Legislative Counsel Bureau the sum of \$15,000~~
3 ~~for an audit of the use of property tax revenues received by redevelopment~~
4 ~~agencies.~~

5 ~~2. Any remaining balance of the appropriation made by subsection 1 must not~~
6 ~~be committed for expenditure after June 30, 2011, by the entity to which the~~
7 ~~appropriation is made or any entity to which money from the appropriation is~~
8 ~~granted or otherwise transferred in any manner, and any portion of the appropriated~~
9 ~~money remaining must not be spent for any purpose after September 16, 2011, by~~
10 ~~either the entity to which the money was appropriated or the entity to which the~~
11 ~~money was subsequently granted or transferred, and must be reverted to the State~~
12 ~~General Fund on or before September 16, 2011.]~~ **(Deleted by amendment.)**

13 ~~[Sec. 7.]~~ **Sec. 8.** This act becomes effective upon passage and approval.