

SENATE BILL NO. 158—SENATOR HARDY

FEBRUARY 25, 2009

Referred to Committee on Taxation

SUMMARY—Revises provisions concerning tax increment areas created to benefit the Nevada State College. (BDR 22-905)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted-material] is material to be omitted.

AN ACT relating to tax increment areas; providing that money raised in certain tax increment areas created to specially benefit the principal campus of the Nevada State College must not be used to replace or supplant money available to the College from other sources; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law authorizes the Board of Regents of the University of Nevada and a
2 city which encompasses the principal campus of the Nevada State College to create
3 tax increment areas to raise money to undertake certain projects for infrastructure,
4 educational facilities and other capital projects for the principal campus of the
5 College. (NRS 278C.155) This bill provides that the money raised in the tax
6 increment area for such undertakings must not be used to replace or supplant
7 money available to the College from other sources.

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

1 **Section 1.** NRS 278C.155 is hereby amended to read as
2 follows:

3 278C.155 1. A tax increment area may be created pursuant to
4 this section by a cooperative agreement between a city in which the
5 principal campus of the Nevada State College is located or intended
6 to be located and the Nevada System of Higher Education, if the
7 boundaries of the tax increment area include only land:



* S B 1 5 8 *

(a) On which the principal campus of the Nevada State College is located or intended to be located; and

(b) Which:

(1) Consists of not more than 509 acres;

(2) Was transferred by the city creating the tax increment area to the Nevada System of Higher Education for the use of the Nevada State College;

(3) Has never been subject to property taxation; and

(4) The Nevada System of Higher Education has agreed to continue to own for the term of the tax increment area.

➔ The provisions of NRS 278C.160, subsections 4, 6 and 7 of NRS 278C.170, NRS 278C.220, paragraphs (c) and (d) of subsection 1 of NRS 278C.250 and paragraph (d) of subsection 4 of NRS 278C.250 do not apply to a tax increment area created pursuant to this section, but such a tax increment area is subject to the provisions of subsections 2 to 9, inclusive.

2. Whenever the governing body of a city in which the principal campus of the Nevada State College is located or intended to be located and the Board of Regents of the University of Nevada determine that the interests of the city, the Nevada System of Higher Education and the public require an undertaking, the governing body and the Board of Regents may enter into a cooperative agreement pursuant to NRS 277.080 to 277.180, inclusive, which describes by reference to the general types of undertakings authorized pursuant to NRS 278C.140 and the undertakings proposed for the tax increment area, and which contains or refers to an exhibit filed with the clerk of the city and the Secretary of the Board of Regents which contains:

(a) A statement of the last finalized amount of the assessed valuation of the real property within the boundaries of the tax increment area, which boundaries must be in compliance with subsection 1, and a statement that, based upon the records of the county treasurer, no property taxes were collected on any of that property, or on any interest therein, during the most recent year for which those records are available; and

(b) A description of the tax increment area or its location, so that the various tracts of taxable real property and any taxable personal property may be identified and determined to be within or without the tax increment area, except that the description need not describe in complete detail each tract of real property proposed to be included within the tax increment area.

3. The governing body may, at any time after the effective date of a cooperative agreement entered into pursuant to this section, adopt a resolution that provisionally orders the undertakings and creation of the tax increment area.



* S B 1 5 8 *

1 4. The notice of the meeting required pursuant to subsection 3
2 of NRS 278C.170 must:

3 (a) Describe by reference the general types of undertakings
4 authorized pursuant to NRS 278C.140 and the undertakings
5 proposed for the tax increment area;

6 (b) Describe the last finalized amount of the assessed valuation
7 of the real property within the boundaries of the tax increment area,
8 and state that, based upon the records of the county treasurer, no
9 property taxes were collected on any of that property, or on any
10 interest therein, during the most recent year for which those records
11 are available;

12 (c) Describe the tax increment area or its location, so that the
13 various tracts of taxable real or personal property may be identified
14 and determined to be within or without the tax increment area; and

15 (d) State the date, time and place of the meeting described in
16 subsection 1 of NRS 278C.170.

17 5. If, after considering all properly submitted and relevant
18 written and oral complaints, protests, objections and other relevant
19 comments and after considering any other relevant material, the
20 governing body determines that the undertaking is in the public
21 interest and defines that public interest, the governing body shall
22 determine whether to proceed with the undertaking. If the governing
23 body has ordered any modification to an undertaking and has
24 determined to proceed, the governing body must consult with the
25 Board of Regents to obtain its consent to the proposed modification.
26 When the Board of Regents and the governing body are in
27 agreement on the modification, if any, and a statement of the
28 modification is filed with the clerk, if the governing body wants to
29 proceed with the undertaking, the governing body shall adopt an
30 ordinance in the same manner as any other ordinance:

31 (a) Overruling all complaints, protests and objections not
32 otherwise acted upon;

33 (b) Ordering the undertaking;

34 (c) Describing the tax increment area to which the undertaking
35 pertains; and

36 (d) Creating a tax increment account for the undertaking.

37 6. Money deposited in the tax increment account as described
38 in paragraph (b) of subsection 1 of NRS 278C.250 may be used to
39 pay the capital costs of the undertaking directly, in addition to being
40 used to pay the bond requirements of loans, money advanced or
41 indebtedness incurred to finance or refinance an undertaking, and
42 may continue to be used for those purposes until the expiration of
43 the tax increment area pursuant to NRS 278C.300. *The money in*
44 *the account must not be used to replace or supplant money*
45 *available from other sources.*



1 7. The Board of Regents may pledge to any securities it issues
2 under a delegation pursuant to subsection 8, or irrevocably dedicate
3 to the city that will issue securities hereunder, any revenues of the
4 Nevada System of Higher Education derived from the campus of the
5 Nevada System of Higher Education whose boundaries are included
6 in whole or in part in the tax increment area, other than revenues
7 from state appropriations and from student fees, and subject to any
8 covenants or restrictions in any instruments authorizing other
9 securities. Such an irrevocable dedication must be for the term of
10 the securities issued by the city and any securities refunding those
11 securities and may also extend for the term of the tax increment
12 area.

13 8. The city may delegate to the Board of Regents the authority
14 to issue any security other than a general obligation security which
15 the city is authorized to issue pursuant to this chapter ~~H~~ and , in
16 connection therewith, may irrevocably dedicate to the Board of
17 Regents the revenues that are authorized pursuant to this chapter to
18 be pledged or used to repay those securities, including, without
19 limitation, all money in the tax increment account created pursuant
20 to subsection 5. The irrevocable dedication of any security pursuant
21 to this subsection must be for the term of the security issued by the
22 Nevada System of Higher Education and any security refunding
23 those securities and may also extend for the term of the tax
24 increment area.

25 9. If the boundaries of a county school district include a tax
26 increment area created pursuant to this section and the county
27 school district operates a public school on property within the
28 boundaries of that tax increment area, the county school district and
29 the Nevada System of Higher Education shall consult with one
30 another regarding funding for the operating costs of that public
31 school.

32 **Sec. 2.** This act becomes effective on July 1, 2009.

