

ASSEMBLY BILL NO. 439—ASSEMBLYWOMAN NEAL

MARCH 21, 2011

Referred to Committee on Government Affairs

SUMMARY—Revises various provisions relating to redevelopment. (BDR 22-735)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

CONTAINS UNFUNDED MANDATE (§ 10)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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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 redevelopment of communities; requiring a redevelopment agency in certain cities to withhold a portion of any incentive provided to a developer unless the developer satisfies certain conditions; requiring the reporting of certain information relating to the redevelopment project by certain developers; requiring an employment plan to include information relating to preferences for hiring persons from the redevelopment area; requiring a person who is awarded an agreement for a redevelopment project in certain cities to gather and report to the agency certain information concerning the applicants for employment on the project; requiring an agency in certain cities to gather and report to the State Public Works Board certain information concerning persons who submit a proposal for a redevelopment project; requiring the State Public Works Board to gather and maintain certain information concerning redevelopment projects reported to it by various agencies; requiring the State Public Works Board to report to the Attorney General certain information concerning redevelopment projects reported to it by various agencies; requiring the Attorney General to determine when sufficient information exists to support certain preferences on a redevelopment project and to notify the Governor of such determination; requiring the Governor to issue a proclamation indicating that sufficient information exists to support certain preferences on a redevelopment project upon notice from the Attorney General; and providing other matters properly relating thereto.



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Legislative Counsel's Digest:

Under existing law, if a redevelopment agency provides property for development for less than the fair market value of the property or provides financial incentives of more than \$100,000 to a developer, the developer must comply with certain laws relating to the payment of a prevailing wage. (NRS 279.500) Additionally, a proposal for a redevelopment project must include an employment plan, if appropriate. (NRS 279.482)

Section 2 of this bill provides that **sections 2-11** apply only to a city whose population is 300,000 or more (currently Las Vegas).

Section 3 of this bill requires a redevelopment agency that proposes to provide an incentive to a developer to withhold payment of 15 percent of the incentive unless: (1) at least 30 percent of the jobs created by employers as a result of the redevelopment project are filled by residents of the community; (2) at least 30 percent of the jobs created by employers as a result of the redevelopment project are filled by residents of the community who have been trained for such jobs through the Department of Employment, Training and Rehabilitation or a job training facility in the redevelopment area; and (3) the developer satisfies the reporting required by **section 5**. **Section 4** of this bill requires a developer who receives incentives to include certain information in the employment plan. **Section 5** of this bill requires a developer who receives an incentive to report to the redevelopment agency certain information relating to the redevelopment project. **Section 6** of this bill allows the redevelopment agency to refuse to pay all or a portion of an incentive or to require repayment of any incentive already paid if a developer fails to comply with certain requirements.

Section 11 of this bill requires a developer who receives an incentive from an agency to only use a contractor on the project if at least 25 percent of the contractor's employees are persons who are economically disadvantaged, disabled, a racial minority, veterans or women. **Section 11** also requires each subcontractor on the project to meet the same requirement for its workforce.

Section 10 of this bill requires a developer who is awarded an agreement for a redevelopment project to gather, maintain and report to the agency awarding the agreement certain information concerning the hiring, wages, race, ethnicity and gender of applicants for employment on the redevelopment project. **Section 10** also requires that an agency must gather, compile, maintain and report to the State Public Works Board certain information concerning the cost of the redevelopment project, the awarding of the agreement, the race, ethnicity, gender, number of employees and length of time in business of persons who propose a redevelopment project, and the information received from the person awarded the agreement concerning the applicants for employment on the redevelopment project. Finally, **section 10** requires that the State Public Works Board must compile and maintain the information received by the Board in accordance with **section 10**, make the information available to the public, report the information annually to the Director of the Legislative Counsel Bureau and report the information quarterly to the Attorney General.

Sections 21 and 23 of this bill provide that **sections 11 and 17-20** of this bill do not become effective until: (1) the Attorney General reviews the information provided by the State Public Works Board and determines that the information is sufficient to successfully defend a legal challenge to those provisions; (2) the Attorney General notifies the Governor of the sufficiency of the information; and (3) the Governor issues a proclamation declaring that sufficient information exists to justify the implementation of those provisions.



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 the provisions set forth as sections 2 to 11, inclusive, of this act.

Sec. 2. *The provisions set forth in sections 2 to 10, inclusive, of this act apply only to a redevelopment area located in a city whose population is 300,000 or more.*

Sec. 3. 1. *Except as otherwise provided in subsection 2, if an agency proposes to provide an incentive to a developer for a redevelopment project, 15 percent of the amount of the proposed incentive must be withheld by the agency and must not be paid to the developer unless:*

(a) At least 30 percent of all jobs created by employers who relocate to the redevelopment area are filled by residents of the community;

(b) At least 30 percent of all jobs created by employers who relocate to the redevelopment area are filled by residents of the community who have been trained for such jobs through the Department of Employment, Training and Rehabilitation or a job training facility located in the redevelopment area, if such residents are available; and

(c) The developer satisfies all reporting requirements as described in section 5 of this act.

2. *If an agency provides nonmonetary incentives to a developer for a redevelopment project, the developer shall deposit an amount of money with the agency equal to 15 percent of the value of the nonmonetary incentives as agreed upon between the agency and the developer. If the developer satisfies the requirements of paragraphs (a), (b) and (c) of subsection 1, the agency shall return the deposit required by this subsection to the developer.*

Sec. 4. *A developer who receives incentives from an agency for a redevelopment project shall include in the employment plan submitted pursuant to NRS 279.482 a description of the manner in which the developer intends to satisfy the requirements of paragraphs (a) and (b) of subsection 1 of section 3 of this act.*

Sec. 5. *A developer who receives incentives from an agency for a redevelopment project shall report quarterly, in a form prescribed by the agency, information relating to:*

1. *Outreach efforts that the developer has utilized, including, without limitation, information relating to job fairs, advertisements in publications that reach residents of the*



1 redevelopment area and utilization of employment referral
2 agencies;

3 2. The developer's compliance with the requirements of
4 paragraphs (a) and (b) of subsection 1 of section 3 of this act,
5 including, without limitation, data relating to the residency status
6 of applicants for employment; and

7 3. Referral of residents of the city to job training programs
8 and solicitation of job training programs for residents qualified to
9 accept jobs being created by employers as a result of the
10 redevelopment project.

11 **Sec. 6.** *If the developer fails to comply with the requirements*
12 *of section 5 of this act:*

13 1. The agency may refuse to pay all or any portion of an
14 incentive; and

15 2. The agency may require the developer to repay any
16 incentive already paid to the developer.

17 **Sec. 7.** 1. *The legislative body shall appoint a minority*
18 *business committee.*

19 2. *The minority business committee shall review a proposal*
20 *submitted by a developer for a redevelopment project within 30*
21 *days after the proposal is submitted. After completing its review,*
22 *the minority business committee shall report the results of its*
23 *review to the legislative body, including, without limitation, its*
24 *opinion as to whether the proposal submitted by the developer*
25 *would create significant employment opportunities for residents of*
26 *the redevelopment area.*

27 **Sec. 8.** 1. *A developer may appeal to the minority business*
28 *committee appointed pursuant to section 7 of this act the refusal*
29 *by an agency to pay any amount of an incentive.*

30 2. *In such an appeal, the agency has the burden of*
31 *demonstrating by clear and convincing evidence that the developer*
32 *failed to perform as required by law or by the conditions of the*
33 *agreement between the agency and the developer.*

34 3. *Based on the information provided by the developer and*
35 *the agency, the minority business committee shall make a*
36 *recommendation to the legislative body as to whether the appeal*
37 *should be granted.*

38 4. *The legislative body shall consider the information*
39 *provided by the developer and the agency and the recommendation*
40 *of the minority business committee. If the legislative body finds*
41 *that the agency has failed to satisfy the requirements of subsection*
42 *2, the agency shall pay the developer the amount in question.*

43 **Sec. 9.** *A contractor and its subcontractors may collaborate*
44 *to obtain the necessary bonding for a redevelopment project.*

45 **Sec. 10.** 1. *An agency shall:*



(a) Gather and maintain, for every person who submits a proposal for a redevelopment project, the following information:

(1) The cost of the redevelopment project;

(2) Whether the person was awarded the redevelopment project;

(3) The race, ethnicity and gender of the person;

(4) The number of employees of the person at the time the person submitted the proposal; and

(5) The length of time for which the person had been in business at the time the person submitted the proposal;

(b) Include in the agreement for the redevelopment project a clause requiring the person who is awarded the redevelopment project to:

(1) Gather and maintain the information required by subsection 2; and

(2) Report the information as required by subsection 2;

(c) Compile and maintain the information reported to the agency pursuant to subsection 2 by the person who is awarded the redevelopment project; and

(d) Report to the State Public Works Board the information which the agency:

(1) Gathers and maintains pursuant to paragraph (a); and

(2) Compiles and maintains pursuant to paragraph (c).

2. The person who is awarded the agreement for a redevelopment project by the agency shall:

(a) Gather and maintain, for every applicant for employment on the redevelopment project with the person who is awarded the agreement and with every contractor, subcontractor and other person who provides labor, equipment, materials, supplies or services for the redevelopment project, the following information:

(1) The wages being offered for the job;

(2) Whether the applicant was hired for the job; and

(3) The race, ethnicity and gender of the applicant; and

(b) Report to the agency the information gathered and maintained pursuant to paragraph (a).

3. The State Public Works Board shall:

(a) Compile and maintain the information reported by an agency pursuant to subsection 1;

(b) Make available to the public the information compiled and maintained pursuant to paragraph (a) after removing any personal information, as that term is defined in NRS 603A.040;

(c) Report annually the information compiled and maintained pursuant to paragraph (a) to the Director of the Legislative Counsel Bureau in any format requested by the Director; and



(d) Report quarterly the information compiled and maintained pursuant to paragraph (a) to the Attorney General in any format requested by the Attorney General.

4. For the purposes of subsection 1, if a person who submits a proposal for a redevelopment project is not a natural person, the agency must gather and maintain the required information for each natural person who owns or controls all or a portion of the person who submits a proposal for a redevelopment project.

Sec. 11. 1. At least 25 percent of the employees of a contractor used on a redevelopment project by a developer who receives incentives from an agency for the redevelopment project must:

- (a) Be economically disadvantaged;
- (b) Have a physical disability;
- (c) Be members of racial minorities;
- (d) Be veterans; or
- (e) Be women.

2. At least 25 percent of the employees of a subcontractor of a contractor used on a redevelopment project by a developer who receives incentives from an agency for the redevelopment project must:

- (a) Be economically disadvantaged;
- (b) Have a physical disability;
- (c) Be members of racial minorities;
- (d) Be veterans; or
- (e) Be women.

Sec. 12. NRS 279.382 is hereby amended to read as follows:

279.382 The provisions contained in NRS 279.382 to 279.685, inclusive, *and sections 2 to 10, inclusive, of this act* may be cited as the Community Redevelopment Law.

Sec. 13. NRS 279.384 is hereby amended to read as follows:

279.384 As used in NRS 279.382 to 279.685, inclusive, *and sections 2 to 10, inclusive, 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. 14. NRS 279.424 is hereby amended to read as follows:

279.424 It is declared to be the policy of the State:

1. To protect and promote the sound development and redevelopment of blighted areas and the general welfare of the inhabitants of the communities in which they exist by remedying such injurious conditions through the employment of all appropriate means.

2. That whenever the redevelopment of blighted areas cannot be accomplished by private enterprise alone, without public participation and assistance in the acquisition of land, in planning



1 and in the financing of land assembly, in the work of clearance, and
2 in the making of improvements necessary therefor, it is in the public
3 interest to employ the power of eminent domain, to advance or
4 expend public funds for these purposes, and to provide a means by
5 which blighted areas may be redeveloped or rehabilitated.

6 3. That the redevelopment of blighted areas and the provision
7 for appropriate continuing land use and construction policies in
8 them constitute public uses and purposes for which public money
9 may be advanced or expended and private property acquired, and
10 are governmental functions of state concern in the interests of
11 health, safety and welfare of the people of the State and of the
12 communities in which the areas exist.

13 4. That the necessity in the public interest for the provisions of
14 NRS 279.382 to 279.685, inclusive, *and sections 2 to 10, inclusive,*
15 *of this act* is declared to be a matter of legislative determination.

16 **Sec. 15.** NRS 279.630 is hereby amended to read as follows:

17 279.630 1. No real or personal property, or any interest
18 therein, acquired or constructed in whole or in part with money from
19 the redevelopment revolving fund may be sold or leased for an
20 amount less than its fair market value in accordance with any
21 covenants and conditions governing that sale or lease, unless the
22 agency finds that a sale or lease for a lesser consideration is
23 necessary to effectuate the purposes of the redevelopment plan.

24 2. All money received by the agency from the sale, lease or
25 encumbering of property acquired with money from the
26 redevelopment revolving fund in excess of the money required to
27 repay the loans and interest thereon authorized by NRS 279.382 to
28 279.685, inclusive, *and sections 2 to 10, inclusive, of this act* must
29 be redeposited in the fund.

30 3. If any property acquired in whole or in part from the
31 redevelopment revolving fund is to be sold or leased by the agency,
32 the sale or lease must be first approved by the legislative body by
33 resolution adopted after public hearing. Notice of the time and place
34 of the hearing must be published once in a newspaper of the
35 community at least 1 week before the hearing. The resolution must
36 be adopted by a majority vote unless the legislative body has
37 provided by ordinance for a two-thirds vote for such purpose.

38 *4. If the redevelopment area is located in a city whose*
39 *population is 300,000 or more, 10 percent of all money received by*
40 *the agency from the sale, lease or encumbering of property*
41 *pursuant to this section must be used by the agency to provide job*
42 *training to the residents of the city or to create or maintain a job*
43 *training facility located in the redevelopment area.*



Sec. 16. 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) , **subsection 5** 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



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1 property in the redevelopment area must be paid into the funds of
2 the respective taxing agencies. When the redevelopment plan is
3 terminated pursuant to the provisions of NRS 279.438 and 279.439
4 and all loans, advances and indebtedness, if any, and interest
5 thereon, have been paid, all money thereafter received from taxes
6 upon the taxable property in the redevelopment area must be paid
7 into the funds of the respective taxing agencies as taxes on all other
8 property are paid.

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

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

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

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

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

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

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



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

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

5. If the redevelopment area is located in a city whose population is 300,000 or more, a portion, as described in this subsection, of the levied taxes described in subsection 1 must be used by the redevelopment agency to provide job training to the residents of the city or to create or maintain a job training facility located in the redevelopment area. The portion of the levied taxes described in subsection 1 which must be used as described in this subsection is 10 percent of the amount of the levied taxes each year which is in excess of the amounts set forth in paragraphs (a), (b) and (d) of subsection 1 and NRS 540A.265.

Sec. 17. Section 2 of this act is hereby amended to read as follows:

Sec. 2. The provisions set forth in sections 2 to ~~10,~~ **11**, inclusive, of this act apply only to a redevelopment area located in a city whose population is 300,000 or more.

Sec. 18. Section 4 of this act is hereby amended to read as follows:

Sec. 4. A developer who receives incentives from an agency for a redevelopment project shall include in the employment plan submitted pursuant to NRS 279.482 a description of the manner in which the developer intends to satisfy the requirements of paragraphs (a) and (b) of subsection 1 of section 3 **and section 11** of this act.

Sec. 19. Section 5 of this act is hereby amended to read as follows:

Sec. 5. A developer who receives incentives from an agency for a redevelopment project shall report quarterly, in a form prescribed by the agency, information relating to:

1. Outreach efforts that the developer has utilized, including, without limitation, information relating to job fairs, advertisements in publications that reach residents of the redevelopment area and utilization of employment referral agencies;

2. The developer's compliance with the requirements of paragraphs (a) and (b) of subsection 1 of section 3 **and**



1 *section 11* of this act, including, without limitation, data
2 relating to the residency status , *economic disadvantage,*
3 *disability status, race, ethnicity, veteran status or gender* of
4 applicants for employment; and

5 3. Referral of residents of the city to job training
6 programs and solicitation of job training programs for
7 residents qualified to accept jobs being created by employers
8 as a result of the redevelopment project.

9 **Sec. 20.** Section 6 of this act is hereby amended to read as
10 follows:

11 Sec. 6. If the developer fails to comply with the
12 requirements of section 5 *or 11* of this act:

13 1. The agency may refuse to pay all or any portion of an
14 incentive; and

15 2. The agency may require the developer to repay any
16 incentive already paid to the developer.

17 **Sec. 21.** 1. The Attorney General shall review the
18 information received from the State Public Works Board pursuant to
19 section 10 of this act quarterly to determine whether sufficient
20 information exists to successfully defend a legal challenge to the
21 provisions of sections 11 and 17 to 20, inclusive, of this act.

22 2. If the Attorney General determines that sufficient
23 information exists pursuant to subsection 1, the Attorney General
24 shall notify the Governor of that determination.

25 3. Upon receiving a notification from the Attorney General
26 pursuant to subsection 2, the Governor shall issue a proclamation
27 indicating that sufficient information exists to justify the
28 implementation of sections 11 and 17 to 20, inclusive, of this act.

29 **Sec. 22.** The provisions of NRS 354.599 do not apply to any
30 additional expenses of a local government that are related to the
31 provisions of this act.

32 **Sec. 23.** 1. This section and sections 1 to 10, inclusive, 15,
33 16, 21 and 22 of this act become effective on July 1, 2011.

34 2. Sections 11 and 17 to 20, inclusive, of this act become
35 effective on the date that the Governor issues a proclamation
36 pursuant to subsection 3 of section 21 of this act.

