

ASSEMBLY BILL NO. 50—COMMITTEE  
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE CITY OF LAS VEGAS)

PREFILED DECEMBER 20, 2012

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to local government finance. (BDR 22-253)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
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 local government finance; revising the termination date of certain redevelopment plans; providing specific authority for redevelopment agencies to loan money to finance the purchase of land and the construction and installation of certain improvements to real property under certain circumstances; requiring certain redevelopment agencies to make available to the public certain reports concerning proposed redevelopment projects; requiring certain redevelopment agencies to include additional information in certain annual reports; revising provisions governing the tax imposed on the revenues from the rental of transient lodging in a district created to defray the cost of improving a central business area; eliminating the prohibition on certain local governments creating a tourism improvement district that includes any property within the boundaries of a redevelopment area; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 Existing law provides that a redevelopment plan adopted by a redevelopment
- 2 agency of a city or county before January 1, 1991, terminates at the end of the fiscal
- 3 year in which the later of the following events occurs: (1) the principal and interest
- 4 of the last maturing securities issued before that date concerning the redevelopment
- 5 area are fully paid; or (2) 45 years after the date on which the original



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6 redevelopment plan was adopted. (NRS 279.438) **Section 1** of this bill extends the  
7 deadline for that second event from 45 years to 60 years with respect to a  
8 redevelopment plan adopted by the redevelopment agency of a city whose  
9 population is 500,000 or more (currently the City of Las Vegas).

10 Under existing law, the redevelopment agency of a city or county, with the  
11 consent of the governing body of the city or county, is authorized, in certain  
12 circumstances, to pay all or part of the value of the land for and the cost of the  
13 construction of a building, facility, structure or other improvement to real property  
14 or installation of an improvement which is publicly or privately owned and is  
15 located within or without a redevelopment area for which the agency has adopted a  
16 redevelopment plan. (NRS 279.486) **Section 2** of this bill provides the additional  
17 specific authority to loan money for this purpose to a redevelopment agency.  
18 **Section 2** also requires the redevelopment agency of a city whose population is  
19 500,000 or more (currently the City of Las Vegas) to make available to the general  
20 public a detailed report concerning such a proposed expenditure or loan for land or  
21 improvements by the agency at least 7 days before a meeting at which the  
22 governing body of the city is scheduled to consider the proposed expenditure or  
23 loan.

24 Under existing law, a redevelopment agency that has adopted a redevelopment  
25 plan for a redevelopment area on or after July 1, 2011, is required to submit soon  
26 after the adoption of the plan one report to the Legislature and the governing body  
27 of the city or county, as applicable, containing certain initial information about the  
28 redevelopment area. Existing law also requires a redevelopment agency that has  
29 adopted a redevelopment plan for a redevelopment area at any time to submit to the  
30 Legislature and the governing body of the city or county, as applicable, an annual  
31 report containing information about the redevelopment area for the previous fiscal  
32 year. (NRS 279.6025) **Section 3** of this bill requires the redevelopment agency of a  
33 city whose population is 500,000 or more (currently the City of Las Vegas) to  
34 include certain additional information in the annual report.

35 Under existing law, a city whose population is 500,000 or more (currently the  
36 City of Las Vegas) is authorized to impose a tax on the revenues from the rental of  
37 transient lodging to defray the costs of improving a central business area. (NRS  
38 268.801-268.808) The city is allowed to collect that tax until the final payment of:  
39 (1) the bonds initially issued to which the tax is pledged; or (2) any bonds refunding  
40 those initially issued bonds as long as the final payment date for such refunding  
41 bonds is not later than the final payment date for the initially issued bonds. (NRS  
42 268.804) **Section 4** of this bill extends the time in which the city is authorized to  
43 collect the tax until the final payment date for any bonds issued in addition to the  
44 initially issued bonds as long as such additional bonds do not have a final payment  
45 date that is after July 1, 2040.

46 **Section 5** of this bill eliminates the prohibition in existing law against a city or  
47 county creating a tourism improvement district after October 1, 2009, that includes  
48 within its boundaries any property included within the boundaries of a  
49 redevelopment area.

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

1 **Section 1.** NRS 279.438 is hereby amended to read as follows:  
2 279.438 A redevelopment plan adopted before January 1,  
3 1991, and any amendments to the plan must terminate at the end of  
4 the fiscal year in which the principal and interest of the last



1 maturing of the securities issued before that date concerning the  
2 redevelopment area are fully paid or :

3 *1. With respect to a redevelopment plan adopted by the*  
4 *agency of a city whose population is 500,000 or more, 60 years*  
5 *after the date on which the original redevelopment plan was*  
6 *adopted, whichever is later.*

7 *2. With respect to a redevelopment plan adopted by any other*  
8 *agency, 45 years after the date on which the original redevelopment*  
9 *plan was adopted, whichever is later.*

10 **Sec. 2.** NRS 279.486 is hereby amended to read as follows:

11 279.486 1. An agency may, with the consent of the  
12 legislative body, pay all or part of *, or loan money to finance,* the  
13 value of the land for and the cost of the construction of any building,  
14 facility, structure or other improvement and the installation of any  
15 improvement which is publicly or privately owned and located  
16 within or without the redevelopment area.

17 *2. Within 7 days before a meeting at which the legislative*  
18 *body of a city whose population is 500,000 or more is scheduled to*  
19 *consider an action proposed by the agency of the city pursuant to*  
20 *subsection 1, the agency shall make available to the public a*  
21 *detailed report which includes, without limitation:*

22 *(a) A copy of any contract, memorandum of understanding or*  
23 *other agreement between the agency or the legislative body and*  
24 *any other person relating to the redevelopment project.*

25 *(b) A summary of the redevelopment project which includes,*  
26 *without limitation:*

27 *(I) A full and complete description of:*

28 *(I) The costs of the redevelopment project, including,*  
29 *without limitation, the costs of acquiring any real property,*  
30 *clearance costs, relocation costs, the costs of any improvements*  
31 *which will be paid by the agency and the amount of the anticipated*  
32 *interest on any loan made or bonds issued or sold to finance the*  
33 *project.*

34 *(II) The estimated current value of the real property*  
35 *interest to be conveyed or leased, determined at its highest and best*  
36 *use permitted under the redevelopment plan.*

37 *(III) The estimated value of the real property interest to*  
38 *be conveyed or leased, determined at the use and with the*  
39 *conditions, covenants and restrictions, and development costs*  
40 *required by the sale or lease, and the current purchase price or*  
41 *present value of the lease payments which the lessee is required to*  
42 *make during the term of the lease. If the sale price or present*  
43 *value of the total rental amount to be paid to the agency or*  
44 *legislative body is less than the fair market value of the real*  
45 *property interest to be conveyed or leased, determined at the*



1 *highest and best use permitted under the redevelopment plan,*  
2 *the agency shall provide an explanation of the reason for the*  
3 *difference.*

4 *(2) An explanation of how the project will assist in the*  
5 *elimination of blight, including, without limitation, reference to all*  
6 *supporting facts and materials relied on in reaching the*  
7 *conclusions presented in the explanation.*

8 3. Before the legislative body may give its consent ~~H~~ *to an*  
9 *action proposed by the agency pursuant to subsection 1,* it must  
10 determine that:

11 (a) The buildings, facilities, structures or other improvements  
12 are of benefit to the redevelopment area or the immediate  
13 neighborhood in which the redevelopment area is located; and

14 (b) No other reasonable means of financing those buildings,  
15 facilities, structures or other improvements are available.

16 ➔ Those determinations by the agency and the legislative body are  
17 final and conclusive.

18 ~~H~~ 4. In reaching its determination that the buildings,  
19 facilities, structures or other improvements are of benefit to the  
20 redevelopment area or the immediate neighborhood in which the  
21 redevelopment area is located, the legislative body shall consider:

22 (a) Whether the buildings, facilities, structures or other  
23 improvements are likely to:

24 (1) Encourage the creation of new business or other  
25 appropriate development;

26 (2) Create jobs or other business opportunities for nearby  
27 residents;

28 (3) Increase local revenues from desirable sources;

29 (4) Increase levels of human activity in the redevelopment  
30 area or the immediate neighborhood in which the redevelopment  
31 area is located;

32 (5) Possess attributes that are unique, either as to type of use  
33 or level of quality and design;

34 (6) Require for their construction, installation or operation  
35 the use of qualified and trained labor; and

36 (7) Demonstrate greater social or financial benefits to the  
37 community than would a similar set of buildings, facilities,  
38 structures or other improvements not paid for *or, if applicable,*  
39 *financed* by the agency.

40 (b) The opinions of persons who reside in the redevelopment  
41 area or the immediate neighborhood in which the redevelopment  
42 area is located.

43 (c) Comparisons between the level of spending proposed by the  
44 agency and projections, made on a pro forma basis by the agency, of



1 future revenues attributable to the buildings, facilities, structures or  
2 other improvements.

3 ~~13-1~~ 5. If the value of that land or the cost of the construction  
4 of that building, facility, structure or other improvement, or the  
5 installation of any improvement has been, or will be, paid or  
6 provided for initially by the community or other governmental  
7 entity, the agency may enter into a contract with that community or  
8 governmental entity under which it agrees to reimburse the  
9 community or governmental entity for all or part of the value of that  
10 land or of the cost of the building, facility, structure or other  
11 improvement, or both, by periodic payments over a period of years.  
12 The obligation of the agency under that contract constitutes an  
13 indebtedness of the agency which may be payable out of taxes  
14 levied and allocated to the agency under paragraph (b) of subsection  
15 1 of NRS 279.676, or out of any other available money.

16 **Sec. 3.** NRS 279.6025 is hereby amended to read as follows:

17 279.6025 1. In addition to the report required pursuant to the  
18 provisions of subsection 2, for each redevelopment area for which a  
19 redevelopment plan is adopted pursuant to the provisions of NRS  
20 279.586 on or after July 1, 2011, the agency shall, on or before the  
21 January 1 next after the adoption of the plan, submit to the Director  
22 of the Legislative Counsel Bureau, for transmittal to the Legislature,  
23 and to the legislative body a report on a form prescribed by the  
24 Committee on Local Government Finance that includes, without  
25 limitation, the following information for the redevelopment area:

26 (a) A legal description of the boundaries of the redevelopment  
27 area;

28 (b) The date on which the redevelopment plan for the  
29 redevelopment area was adopted;

30 (c) The scheduled termination date of the redevelopment plan;

31 (d) The total sum of the assessed value of the taxable property in  
32 the redevelopment area for:

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

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

37 (e) The combined overlapping tax rate of the redevelopment  
38 area;

39 (f) The property tax rate of the redevelopment area;

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



(h) Copies of any memoranda of understanding into which the agency enters 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 total sum of the assessed value of the taxable property in the redevelopment area for any other previous fiscal year, an explanation of the reason for the difference;

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

(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. *In addition to the information required pursuant to the provisions of subsection 2, an agency of a city whose population is 500,000 or more shall include in the report submitted pursuant to subsection 2 the following information for the redevelopment area for the previous fiscal year:*

*(a) A statement of all revenues and expenditures of the agency.*

*(b) A statement of efforts by the agency to promote the goals of the regional development authority, as defined in NRS 231.009, including, without limitation, an explanation of the extent to which the activities of the agency have promoted private investment, the formation of businesses and the creation of jobs.*

4. 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.



1     **Sec. 4.** NRS 268.804 is hereby amended to read as follows:

2     268.804 1. In addition to all other taxes imposed on the  
3 revenues from the rental of transient lodging, the governing body  
4 may by ordinance impose a tax upon all persons in the business of  
5 providing transient lodging within the boundaries of the district at a  
6 rate not to exceed 2 percent of the gross receipts from the rental of  
7 transient lodging.

8     2. The collection of the tax imposed pursuant to this section  
9 must not commence earlier than the first day of the second calendar  
10 month after adoption of the ordinance imposing the tax.

11    3. The tax may be waived or imposed at different rates in  
12 certain areas or for a particular business if:

13    (a) The governing body determines that certain areas will  
14 receive less benefits from the project constructed with the proceeds  
15 of the tax or any obligations payable therefrom.

16    (b) The governing body determines that a business does not  
17 have sufficient rooms dedicated to providing transient lodging for it  
18 to benefit equally from the project constructed with the proceeds of  
19 the tax or any obligations payable therefrom.

20    4. The determinations made by the governing body pursuant to  
21 subsection 3 are conclusive unless it is shown that it acted with  
22 fraud or a gross abuse of discretion.

23    5. A tax imposed pursuant to this section must be collected and  
24 enforced in the same manner as provided for the collection of the  
25 tax imposed by NRS 268.096.

26    6. The collection of the tax imposed pursuant to this section  
27 must cease upon the final payment of:

28    (a) The bonds initially issued to which the tax imposed pursuant  
29 to this section is pledged; ~~for~~

30    (b) Any bonds refunding those initially issued bonds, but any  
31 such refunding bonds may not have a final payment date that is later  
32 than the final payment date of the bonds initially issued ~~for~~ ; or

33    (c) *Any bonds issued in addition to those bonds initially issued*  
34 *to which the tax imposed pursuant to this section is pledged, but*  
35 *any such additional bonds may not have a final payment date that*  
36 *is after July 1, 2040.*

37     **Sec. 5.** NRS 271A.070 is hereby amended to read as follows:

38     271A.070 1. Except as otherwise provided in this section and  
39 NRS 271A.080, the governing body of a municipality may:

40     (a) Create a tourism improvement district for the purposes of  
41 carrying out this chapter and revise the boundaries of the district by  
42 adopting an ordinance describing the boundaries of the district and  
43 generally describing the types of projects which may be financed  
44 within the district pursuant to this chapter.



(b) Without any election, acquire, improve, equip, operate and maintain a project within a district created pursuant to paragraph (a). The project may be owned by the municipality, another governmental entity, any other person, or any combination thereof.

(c) For the purposes of carrying out paragraph (b), include in an ordinance adopted pursuant to paragraph (a) the pledge of a single percentage specified in the ordinance, which must not exceed 75 percent, of:

(1) An amount equal to the proceeds of the taxes imposed pursuant to NRS 372.105 and 372.185 with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the district during a fiscal year, after the deduction of a sum equal to 1.75 percent of the amount of those proceeds;

(2) The amount of the proceeds of the taxes imposed pursuant to NRS 374.110 and 374.190 with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the district during a fiscal year, after the deduction of 0.75 percent of the amount of those proceeds; and

(3) The amount of the proceeds of the tax imposed pursuant to NRS 377.030 with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the improvement district during a fiscal year, after the deduction of 1.75 percent of the amount of those proceeds.

2. A district created pursuant to this section by:

(a) A city must be located entirely within the boundaries of that city.

(b) A county must be located entirely within the boundaries of that county and, when the district is created, entirely outside of the boundaries of any city.

3. If any property within the boundaries of a district is also included within the boundaries of any other tourism improvement district or any improvement district for which any money has been pledged pursuant to NRS 271.650, the total amount of money pledged pursuant to this section and NRS 271.650 with respect to such property by all such districts must not exceed the amount authorized pursuant to this section.

~~4. The governing body of a municipality shall not, after October 1, 2009, create a tourism improvement district that includes within its boundaries any property included within the boundaries of a redevelopment area established pursuant to chapter 279 of NRS.~~

**Sec. 6.** This act becomes effective upon passage and approval.

