

**Amendment No. 408**

Assembly Amendment to Assembly Bill No. 50 (BDR 22-253)

**Proposed by:** Assembly Committee on Government Affairs

**Amends:** Summary: No 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 underlining* is newly added transitory language.

MSN/TMC



Date: 4/18/2013

A.B. No. 50—Revises provisions relating to local government finance.

(BDR 22-253)



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.

~

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~~ **set aside and use of certain revenues from taxes** imposed ~~on the revenues from the rental of transient lodging in a district created to defray the cost of improving a central business area;~~ **on property in a redevelopment 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:**

Existing law provides that a redevelopment plan adopted by a redevelopment agency of a city or county before January 1, 1991, terminates at the end of the fiscal year in which the later of the following events occurs: (1) the principal and interest of the last maturing securities issued before that date concerning the redevelopment area are fully paid; or (2) 45 years after the date on which the original redevelopment plan was adopted. (NRS 279.438) Section ~~HH~~ **1.5** of this bill extends the deadline for that second event from 45 years to 60 years with respect to a redevelopment plan adopted by the redevelopment agency of a city whose population is 500,000 or more (currently the City of Las Vegas). ~~HH~~ **if certain requirements are met.**

Under existing law, the redevelopment agency of a city or county, with the consent of the governing body of the city or county, is authorized, in certain circumstances, to pay all or part

of the value of the land for and the cost of the construction of a building, facility, structure or other improvement to real property or installation of an improvement which is publicly or privately owned and is located within or without a redevelopment area for which the agency has adopted a redevelopment plan. (NRS 279.486) ~~(Section 2 of this bill provides the additional specific authority to loan money for this purpose to a redevelopment agency.)~~ **Section 2** ~~of this bill~~ requires the redevelopment agency of a city whose population is 500,000 or more (currently the City of Las Vegas) to make available to the general public a detailed report concerning such a proposed expenditure ~~for loan~~ for land or improvements by the agency at least 7 days before a meeting at which the governing body of the city is scheduled to consider the proposed expenditure. ~~for loan~~

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

Under existing law, a city whose population is 500,000 or more (currently the City of Las Vegas) is ~~authorized to impose a tax on the revenues from the rental of transient lodging to defray the costs of improving a central business area. (NRS 268.801-268.808) The city is allowed to collect that tax until the final payment of: (1) the bonds initially issued to which the tax is pledged; or (2) any bonds refunding those initially issued bonds as long as the final payment date for such refunding bonds is not later than the final payment date for the initially issued bonds. (NRS 268.804) Section 4 of this bill extends the time in which the city is authorized to collect the tax until the final payment date for any bonds issued in addition to the initially issued bonds as long as such additional bonds do not have a final payment date that is after July 1, 2040.)~~ required to set aside 18 percent of the revenue received from taxes levied upon taxable property in a redevelopment area each year to increase, improve and preserve the number of: (1) dwelling units in the community for low-income households; and (2) educational facilities within the redevelopment area. Section 3.5 of this bill instead requires that 18 percent of such revenues received on or after October 1, 2011, but before March 6, 2031, be set aside to: (1) increase, improve, preserve or enhance the operating viability of dwelling units in the community for low-income households; and (2) improve existing public educational facilities located within a redevelopment area or within 1 mile of a redevelopment area. Section 3.5 requires that on or after March 6, 2031, 18 percent of such revenues be set aside and used to improve existing public educational facilities located within a redevelopment area or within 1 mile of a redevelopment area. Section 1 of this bill prohibits a school district from using any money received pursuant to section 3.5 to reduce or supplant the amount of any money which the school district would otherwise expend to improve such public educational facilities.

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

---

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:

A school district shall not use any money received pursuant to subparagraph (2) of paragraph (b) of subsection 1 of NRS 279.685 or paragraph (c) of subsection 1 of NRS 279.685 to reduce or supplant the amount of any money

which the school district would otherwise expend for the purposes described in subparagraph (2) of paragraph (b) of subsection 1 of NRS 279.685 and paragraph (c) of subsection 1 of NRS 279.685, respectively.

~~Section 1.~~ **Sec. 1.5.** NRS 279.438 is hereby amended to read as follows:

279.438 1. A redevelopment plan adopted before January 1, 1991, and any amendments to the plan must terminate at the end of the fiscal year in which the principal and interest of the last maturing of the securities issued before that date concerning the redevelopment area are fully paid or :

~~++ (a)~~ With respect to a redevelopment plan adopted by the agency of a city whose population is 500,000 or more ++ if the requirements set forth in subsection 2 are met, 60 years after the date on which the original redevelopment plan was adopted, whichever is later.

~~++ (b)~~ With respect to ++ any other redevelopment plan ++ adopted by any other agency ++, including a redevelopment plan adopted by an agency of a city whose population is 500,000 or more if the requirements set forth in subsection 2 are not met, 45 years after the date on which the original redevelopment plan was adopted, whichever is later.

2. A redevelopment plan adopted by an agency of a city whose population is 500,000 or more may terminate on the date prescribed by paragraph (a) of subsection 1 only if, on the date on which the redevelopment plan would otherwise terminate pursuant to paragraph (b) of subsection 1:

(a) The assessed value of each redevelopment project in the redevelopment area is not less than the assessed value of the redevelopment project in the year in which the redevelopment plan was adopted;

(b) The assessed value of the redevelopment area is not less than 75 percent of the assessed value of the redevelopment area in the year in which the redevelopment plan was adopted; and

(c) The agency has \$100 million or more in total outstanding indebtedness represented by bonds and other securities.

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

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

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

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

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

(I) A full and complete description of:

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

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

*(III) The estimated value of the real property interest to be conveyed or leased, determined at the use and with the conditions, covenants and restrictions, and development costs required by the sale or lease, and the current purchase price or present value of the lease payments which the lessee is required to make during the term of the lease. If the sale price or present value of the total rental amount to be paid to the agency or legislative body is less than the fair market value of the real property interest to be conveyed or leased, determined at the highest and best use permitted under the redevelopment plan, the agency shall provide an explanation of the reason for the difference.*

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

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

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

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

➤ Those determinations by the agency and the legislative body are final and conclusive.

~~2-4~~ 4. In reaching its determination that the buildings, facilities, structures or other improvements are of benefit to the redevelopment area or the immediate neighborhood in which the redevelopment area is located, the legislative body shall consider:

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

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

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

(3) Increase local revenues from desirable sources;

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

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

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

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

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

(c) Comparisons between the level of spending proposed by the agency and projections, made on a pro forma basis by the agency, of future revenues attributable to the buildings, facilities, structures or other improvements.

~~3-4~~ 5. If the value of that land or the cost of the construction of that building, facility, structure or other improvement, or the installation of any improvement has been, or will be, paid or provided for initially by the community or other governmental entity, the agency may enter into a contract with that community or governmental entity under which it agrees to reimburse the community or governmental entity for all or part of the value of that land or of the cost of the building, facility, structure or other improvement, or both, by periodic payments over a period of years. The obligation of the agency under that contract constitutes

1 an indebtedness of the agency which may be payable out of taxes levied and  
2 allocated to the agency under paragraph (b) of subsection 1 of NRS 279.676, or out  
3 of any other available money.

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

5 279.6025 1. In addition to the report required pursuant to the provisions of  
6 subsection 2, for each redevelopment area for which a redevelopment plan is  
7 adopted pursuant to the provisions of NRS 279.586 on or after July 1, 2011, the  
8 agency shall, on or before the January 1 next after the adoption of the plan, submit  
9 to the Director of the Legislative Counsel Bureau, for transmittal to the Legislature,  
10 and to the legislative body a report on a form prescribed by the Committee on Local  
11 Government Finance that includes, without limitation, the following information  
12 for the redevelopment area:

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

14 (b) The date on which the redevelopment plan for the redevelopment area was  
15 adopted;

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

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

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

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

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

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

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

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

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

33 2. On or before January 1 of each year, for each redevelopment area for which  
34 a redevelopment plan has been adopted pursuant to the provisions of NRS 279.586,  
35 the agency shall submit to the Director of the Legislative Counsel Bureau, for  
36 transmittal to the Legislature, and to the legislative body a report on a form  
37 prescribed by the Committee on Local Government Finance that includes, without  
38 limitation, the following information for the redevelopment area for the previous  
39 fiscal year:

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

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

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

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

46 (e) If the amount reported pursuant to the provisions of paragraph (d) is less  
47 than the total sum of the assessed value of the taxable property in the  
48 redevelopment area for any other previous fiscal year, an explanation of the reason  
49 for the difference;

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

51 (g) The amortization schedule for any debt incurred for the redevelopment area  
52 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.

**Sec. 3.5. NRS 279.685 is hereby amended to read as follows:**

279.685 1. Except as otherwise provided in this section, an agency of a city whose population is 500,000 or more that receives revenue from taxes pursuant to paragraph (b) of subsection 1 of NRS 279.676 shall set aside not less than:

(a) Fifteen percent of that revenue received on or before October 1, 1999, and 18 percent of that revenue received after October 1, 1999, but before October 1, 2011, to increase, improve and preserve the number of dwelling units in the community for low-income households; ~~and~~

(b) Eighteen percent of that revenue received on or after October 1, 2011, but before March 6, 2031, to increase; ~~and~~

(1) Increase, improve, ~~and~~ preserve ~~the number of~~  
~~(1) Dwelling~~ or enhance the operating viability of dwelling units in the community for low-income households; and

(2) ~~Educational~~ Improve existing public educational facilities located  
within ~~the~~ a redevelopment area ~~or within 1 mile of a redevelopment area;~~  
and

(c) Eighteen percent of that revenue received on or after March 6, 2031, to improve existing public educational facilities described in subparagraph (2) of paragraph (b).

↪ For each fiscal year, the agency shall prepare a written report concerning the amount of money expended for the purposes set forth in subparagraph (2) of paragraph (b) or paragraph (c), as applicable, and shall, on or before November 30 of each year, submit a copy of the report to the Director of the Legislative Counsel Bureau for transmittal to the Legislative Commission, if the report is received during an odd-numbered year, or to the next session of the Legislature, if the report is received during an even-numbered year.

2. The obligation of an agency to set aside not less than 15 percent of the revenue from taxes allocated to and received by the agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is subordinate to any existing obligations of the agency. As used in this subsection, "existing obligations" means the principal and interest, when due, on any bonds, notes or other indebtedness whether funded, refunded, assumed or otherwise incurred by the agency before July 1, 1993, to finance or refinance in whole or in part, the redevelopment of a redevelopment area. For the purposes of this subsection, obligations incurred by an agency after July 1, 1993, shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.

3. The obligation of an agency to set aside an additional 3 percent of the revenue from taxes allocated to and received by the agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is subordinate to any existing obligations of the

agency. As used in this subsection, "existing obligations" means the principal and interest, when due, on any bonds, notes or other indebtedness whether funded, refunded, assumed or otherwise incurred by the agency before October 1, 1999, to finance or refinance in whole or in part, the redevelopment of a redevelopment area. For the purposes of this subsection, obligations incurred by an agency after October 1, 1999, shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.

4. From the revenue set aside by an agency pursuant to paragraph (b) of subsection 1, not more than 50 percent of that amount may be used to:

(a) Increase, improve, ~~and~~ preserve ~~the number~~ or enhance the operating viability of dwelling units in the community for low-income households; or

(b) ~~Increase, improve and preserve the number of~~ Improve existing public educational facilities located within ~~the~~ a redevelopment area ~~or within 1 mile of a redevelopment area.~~

unless the agency establishes that such an amount is insufficient to pay the cost of a project identified in the redevelopment plan for the redevelopment area.

5. Except as otherwise provided in ~~paragraph~~ paragraphs (b) and (c) of subsection 1 and subsection 4, the agency may expend or otherwise commit money for the purposes of subsection 1 outside the boundaries of the redevelopment area.

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

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

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

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

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

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

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

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

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

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

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

~~(c) Any bonds issued in addition to those bonds initially issued to which the tax imposed pursuant to this section is pledged, but any such additional bonds may not have a final payment date that is after July 1, 2040.] (Deleted by amendment.)~~



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

2       271A.070 1. Except as otherwise provided in this section and NRS  
3 271A.080, the governing body of a municipality may:

4       (a) Create a tourism improvement district for the purposes of carrying out this  
5 chapter and revise the boundaries of the district by adopting an ordinance  
6 describing the boundaries of the district and generally describing the types of  
7 projects which may be financed within the district pursuant to this chapter.

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

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

15       (1) An amount equal to the proceeds of the taxes imposed pursuant to NRS  
16 372.105 and 372.185 with regard to tangible personal property sold at retail, or  
17 stored, used or otherwise consumed, in the district during a fiscal year, after the  
18 deduction of a sum equal to 1.75 percent of the amount of those proceeds;

19       (2) The amount of the proceeds of the taxes imposed pursuant to NRS  
20 374.110 and 374.190 with regard to tangible personal property sold at retail, or  
21 stored, used or otherwise consumed, in the district during a fiscal year, after the  
22 deduction of 0.75 percent of the amount of those proceeds; and

23       (3) The amount of the proceeds of the tax imposed pursuant to NRS  
24 377.030 with regard to tangible personal property sold at retail, or stored, used or  
25 otherwise consumed, in the improvement district during a fiscal year, after the  
26 deduction of 1.75 percent of the amount of those proceeds.

27       2. A district created pursuant to this section by:

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

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

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

37       4. ~~If the governing body of a municipality shall not, after October 1,~~  
38 ~~2009, create~~ creates a tourism improvement district that includes within its  
39 boundaries any property included within the boundaries of a redevelopment area  
40 established pursuant to chapter 279 of NRS ~~†~~ , the governing body and an  
41 agency;

42       (a) May provide financing or reimbursement related to a project or  
43 redevelopment project pursuant to the provisions of NRS 271A.120 or 279.610 to  
44 279.685, inclusive, whichever is applicable.

45       (b) Shall not provide such financing or reimbursement related to the project  
46 or redevelopment project pursuant to the provisions of both NRS 271A.120 and  
47 279.610 to 279.685, inclusive.

48       5. As used in this section:

49       (a) "Agency" has the meaning ascribed to it in NRS 279.386.

50       (b) "Redevelopment project" has the meaning ascribed to it in NRS 279.412.

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