

Amendment No. 618

Assembly Amendment to Senate Bill No. 135 First Reprint (BDR 22-876)

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.

JWP/TMC



Date: 5/19/2013

S.B. No. 135—Revises provisions governing redevelopment agencies.
(BDR 22-876)



SENATE BILL NO. 135—SENATORS ATKINSON,
SPEARMAN AND FORD

FEBRUARY 18, 2013

JOINT SPONSORS: ASSEMBLYMEN FRIERSON,
NEAL, FLORES, HORNE AND KIRKPATRICK

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing redevelopment agencies.
(BDR 22-876)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 redevelopment of communities; revising requirements for the submission of an employment plan ~~to~~ relating to certain redevelopment projects; requiring ~~that~~ certain redevelopment ~~agency~~ agencies to withhold a portion of any incentive provided to a developer ~~unless~~ until the developer satisfies certain conditions; requiring the reporting of certain information relating to the redevelopment project by certain developers; ~~extending the duration of certain redevelopment plans;~~ requiring ~~an employment plan to~~ that certain employment plans include information relating to ~~preferences for hiring~~ efforts to hire persons ~~from the redevelopment area; creating a revolving loan account to loan money to small businesses for redevelopment purposes in certain cities;~~ who reside in certain areas; and providing other matters properly relating thereto.

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)

Sections 2-10 of this bill ~~only~~ apply to ~~a developer for~~ a redevelopment project if ~~part of the redevelopment area is within an enterprise community;~~ the project is undertaken in a redevelopment area of a city whose population is 500,000 or more (currently the City of Las Vegas). **Section 7** requires public agencies who use redevelopment funds for a public work to submit an employment plan. ~~and exempts private developers who do not construct a redevelopment project for a known owner from that requirement.~~ **Section 8** requires an

agency that proposes to provide an incentive to a developer to withhold payment of an amount equal to 10 percent of the incentive until: (1) at least 15 percent of the employees of contractors, subcontractors, vendors and suppliers of the developer are residents of the redevelopment area ~~that~~, an area in the city for which the city council has adopted a plan for neighborhood revitalization or which is eligible for a community development block grant, or the Southern Nevada Enterprise Community; (2) at least 15 percent of the jobs created by employers as a result of the redevelopment project are filled by residents of ~~the redevelopment~~, such an area; and (3) the developer ~~for build to suit owner or lessee complies with the requirements in the employment plan; and (4) the developer~~ satisfies the reporting ~~required by~~ requirements of section 9. Section 10 allows a developer to appeal a refusal to pay the amount provided for in section 8 to the ~~legislative body of the community~~, city council.

Section 9 requires a developer that receives an incentive of more than \$100,000 to report to the redevelopment agency certain information relating to the redevelopment project. **Section 9** also requires a developer that receives \$100,000 or less in incentives to use its best efforts to report such information. Finally, **section 9** allows the redevelopment agency to refuse to pay all or a portion of the incentive or to require repayment of any incentive already paid if a developer fails to comply.

~~Section 10.5 of this bill creates a revolving loan account in the treasury of a city whose population is 500,000 or more (currently the City of Las Vegas) to be used to make loans at or below market rate to small businesses located within, or interested in relocating to, certain redevelopment areas of the city.~~

~~Section~~ For a redevelopment project undertaken in a redevelopment area of a city whose population is 500,000 or more, section 13 of this bill requires that the employment plan ~~to~~ include information about the ~~preference for hiring persons living within the redevelopment area used by~~ efforts of the developer and each employer who will be relocating a business into the redevelopment area ~~as a result of the redevelopment.~~

~~Existing law provides that a redevelopment plan adopted by a redevelopment agency before July 1, 1991, terminates at the end of the fiscal year in which the principal and interest of the last maturing securities issued before that date concerning the redevelopment area are fully paid, or 45 years after the date on which the original redevelopment plan was adopted, whichever is later. (NRS 279.438) Section 12 of this bill provides that in a county whose population is 700,000 or more (currently Clark County), such a redevelopment plan terminates at the end of the fiscal year in which the principal and interest of the last maturing securities issued before that date concerning the redevelopment area are fully paid, or 60 years after the date on which the original redevelopment plan was adopted, whichever is later.~~

~~Section 15.5 of this bill requires the redevelopment agency of a city whose population is 500,000 or more (currently the City of Las Vegas) to submit an annual report to the Director of the Legislative Counsel Bureau for transmittal to the Legislature that includes information on each loan made during the previous fiscal year from the revolving loan account created by section 10.5, to hire residents of the redevelopment area, an area in the city for which the city council has adopted a plan for neighborhood revitalization or which is eligible for a community development block grant, or the Southern Nevada Enterprise Community. Section 13 also requires a developer or employer to agree to offer and conduct training for such residents or to make a good faith effort to provide training through an available program of training.~~

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 10.5, inclusive, of this act.

Sec. 2. ~~“Build to suit developer” means a private developer who constructs a redevelopment project in accordance with the customized specifications of a known owner or lessee to whom the developer will convey or lease the property upon completion of the project.~~ (Deleted by amendment.)

1 Sec. 3. ~~“Build to suit owner or lessee” means the owner or lessee of a~~
2 ~~redevelopment project that has been constructed by a build to suit developer to~~
3 ~~the customized specifications of the owner or lessee.~~ (Deleted by amendment.)

4 Sec. 4. “Developer” means a person or entity that proposes to construct a
5 redevelopment project which will receive financial assistance from an agency.

6 Sec. 5. “Southern Nevada Enterprise Community” means the area
7 designated as the Southern Nevada Enterprise Community in section 5 of chapter
8 407, Statutes of Nevada 2007.

9 Sec. 6. ~~The provisions of sections 2 to 10, inclusive, of this act do not apply~~
10 ~~to a developer for a redevelopment project unless a portion of the redevelopment~~
11 ~~area of the redevelopment project is within an enterprise community which is~~
12 ~~currently or was previously established pursuant to 24 C.F.R. Part 597,~~
13 ~~including, without limitation, the Southern Nevada Enterprise Community.~~
14 apply only to a redevelopment project undertaken in a redevelopment area of a
15 city whose population is 500,000 or more.

16 Sec. 7. ~~1. A public agency that uses redevelopment funds for the design~~
17 ~~or construction of a redevelopment project being built as a public work pursuant~~
18 ~~to chapter 338 of NRS is required to~~ shall submit an employment plan pursuant
19 to NRS 279.482.

20 ~~2. A developer who constructs a redevelopment project for the purpose of~~
21 ~~conveying or leasing the property to an unknown owner or lessee is not required~~
22 ~~to submit an employment plan pursuant to NRS 279.482 but may submit an~~
23 ~~employment plan voluntarily.~~

24 Sec. 8. 1. Except as otherwise provided in subsection 2, if an agency
25 proposes to provide an incentive to a developer for a redevelopment project, an
26 amount equal to 10 percent of the amount of the proposed incentive must be
27 withheld by the agency and must not be paid to the developer until:

28 (a) At least 15 percent of all employees of contractors, subcontractors,
29 vendors and suppliers of the developer are bona fide residents of ~~the~~
30 ~~redevelopment area and, among such persons, preference in hiring and~~
31 ~~contracting is given to residents of~~ a redevelopment area described in section 6
32 of this act, an area in the city for which the legislative body has adopted a specific
33 plan for neighborhood revitalization or which is eligible for a community
34 development block grant pursuant to 24 C.F.R. Part 570, or the Southern Nevada
35 Enterprise Community;

36 (b) At least 15 percent of all jobs created by employers who relocate to the
37 redevelopment area are filled by bona fide residents of ~~the redevelopment area~~
38 ~~and, among such persons, preference in hiring is given to residents of the~~
39 ~~Southern Nevada Enterprise Community;~~ any of the areas described in
40 paragraph (a); and

41 (c) ~~The developer or build to suit owner or build to suit lessee complies with~~
42 ~~any requirements imposed by the agency relating to the employment plan in the~~
43 ~~agreement for the redevelopment project; and~~

44 ~~(d) The developer satisfies all reporting requirements as described in section~~
45 9 of this act.

46 2. If an agency provides ~~nonmonetary~~ incentives in a form other than
47 cash to a developer for a redevelopment project, the developer shall deposit an
48 amount of money with the agency equal to 10 percent of the value of ~~the~~
49 ~~nonmonetary~~ such incentives as agreed upon between the agency and the
50 developer. If the developer satisfies the requirements of paragraphs (a) to (d),
51 inclusive, of subsection 1, the agency shall return the deposit required by this
52 subsection to the developer.

1 **Sec. 9. 1.** *Except as otherwise provided in subsection 2, a developer that*
2 *receives incentives from an agency for a redevelopment project shall, upon*
3 *completion of the project and upon request of the agency, report, in a form*
4 *prescribed by the agency, information relating to:*

5 (a) *Outreach efforts that the developer has utilized, including, without*
6 *limitation, information relating to job fairs, advertisements in publications that*
7 *reach residents of the ~~redevelopment area~~ areas described in section 8 of this*
8 *act and utilization of employment referral agencies;*

9 (b) *Training conducted for persons hired by the developer and contractors,*
10 *subcontractors, vendors and suppliers of the developer and the employers within*
11 *the ~~development~~ redevelopment project; and*

12 (c) *The execution of the redevelopment ~~act~~ project, including, without*
13 *limitation, plans and the scope of services.*

14 2. *If a developer receives incentives from an agency for a redevelopment*
15 *project with a value of \$100,000 or less, the developer shall use its best efforts to*
16 *satisfy the reporting requirements described in subsection 1.*

17 3. *If the developer fails to comply with the requirements of this section:*

18 (a) *The agency may refuse to pay all or any portion of an incentive; and*

19 (b) *The agency may require the developer to repay any incentive already paid*
20 *to the developer.*

21 **Sec. 10. 1.** *A developer may appeal the refusal by an agency to pay the*
22 *amount provided for in section 8 of this act to the legislative body of the*
23 *community.*

24 2. *In an appeal, the developer has the burden of demonstrating that:*

25 (a) *Specific actions were taken to substantially fulfill the requirements of*
26 *section 8 of this act;*

27 (b) *An insufficient number of significant opportunities for appropriate*
28 *contractors, subcontractors, vendors or suppliers to perform a commercially*
29 *useful function in the project existed; and*

30 (c) *Use of appropriate contractors, subcontractors, vendors or suppliers as*
31 *required by section 8 of this act would have significantly and adversely affected*
32 *the overall cost of the project.*

33 3. *If the legislative body finds that the developer's appeal has satisfied the*
34 *requirements of subsection 2, the agency shall pay the developer the amount*
35 *provided for in section 8 of this act.*

36 **Sec. 10.5. ~~1.~~** ~~*A revolving loan account is hereby created in the treasury*~~
37 ~~*of the community.*~~

38 ~~2. *The money in the account must be used to make loans at or below market*~~
39 ~~*rate to small businesses located within the redevelopment area or interested in*~~
40 ~~*relocating to the redevelopment area for the costs of expanding, improving or*~~
41 ~~*relocating, as applicable, the existing small business. The terms of any loan made*~~
42 ~~*pursuant to this subsection must be limited to not more than 3 years.*~~

43 ~~3. *The money in the account must be invested as money in other community*~~
44 ~~*accounts is invested. All interest and income earned on the money in the account*~~
45 ~~*must be credited to the account. Any money remaining in the account at the end*~~
46 ~~*of the fiscal year does not revert to the treasury of the community, and the*~~
47 ~~*balance in the account must be carried forward.*~~

48 ~~4. *All payments of principal and interest on all the loans made to a small*~~
49 ~~*business from the account must be deposited for credit to the account.*~~

50 ~~5. *Claims against the account must be paid as other claims against the*~~
51 ~~*community are paid.*~~

52 ~~6. *The account may accept gifts, grants, bequests and donations from any*~~
53 ~~*source for deposit into the account.*~~

~~7. The legislative body shall adopt rules prescribing:~~

~~(a) The standards for the applicants for a loan;~~

~~(b) The standards for the terms of a loan; and~~

~~(c) The procedures for the issuance and repayment of a loan.~~

~~8. The agency shall issue a loan to each applicant whose application the agency approves.~~

~~9. The provisions of this section apply only to a community which is a city whose population is 500,000 or more.~~ (Deleted by amendment.)

Sec. 11. 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 10.5, inclusive, of this act, unless the context otherwise requires, the words and terms defined in NRS 279.386 to 279.414, inclusive, and sections 2 to 5, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 12. ~~NRS 279.438 is hereby amended to read as follows:~~

~~279.438 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:~~

~~1. In a county whose population is 700,000 or more, 60 years after the date on which the original redevelopment plan was adopted, whichever is later.~~

~~2. In a county whose population is less than 700,000, 45 years after the date on which the original redevelopment plan was adopted, whichever is later.~~ (Deleted by amendment.)

Sec. 13. NRS 279.482 is hereby amended to read as follows:

279.482 1. An agency may obligate lessees or purchasers of property acquired in a redevelopment project to:

(a) Use the property for the purpose designated in the redevelopment plans.

(b) Begin the redevelopment of the area within a period of time which the agency fixes as reasonable.

(c) Comply with other conditions which the agency deems necessary to carry out the purposes of NRS 279.382 to 279.685, inclusive, and sections 2 to 10.5, inclusive, of this act, including, without limitation, the provisions of an employment plan or a contract approved for a redevelopment project.

2. ~~As~~ Except as otherwise provided in section 7 of this act, as appropriate for the particular project, each proposal for a redevelopment project must also include an employment plan. The employment plan must include:

(a) A description of the existing opportunities for employment within the area;

(b) A projection of the effect that the redevelopment project will have on opportunities for employment within the area; ~~and~~

(c) A description of the manner in which an employer relocating a business into the area plans to employ persons living within the area of operation who:

(1) Are economically disadvantaged;

(2) Have a physical disability;

(3) Are members of racial minorities;

(4) Are veterans; or

(5) Are women ~~†~~; and

~~††~~ (d) For a redevelopment project undertaken in a redevelopment area of a city whose population is 500,000 or more, a description of the manner in which:

(1) The developer will, ~~give a preference~~ in hiring for construction jobs for the project ~~to persons living within the redevelopment area and, among such persons, to~~, use its best efforts to hire veterans and other persons of both sexes and diverse ethnicities living within the redevelopment area, an area in the city for which the legislative body has adopted a specific plan for neighborhood

1 ~~revitalization of an area~~ or which is eligible for a community development block
2 grant pursuant to 24 C.F.R. Part 570, or the Southern Nevada Enterprise
3 Community; and

4 (2) ~~Each employer relocating a business into the area plans to give a~~
5 ~~preference in hiring to~~ will use its best efforts to hire veterans and other persons
6 of both sexes and diverse ethnicities living within the redevelopment area and,
7 ~~among such persons, to persons living within an area for which the legislative~~
8 ~~body has adopted a specific plan for neighborhood revitalization, an area eligible~~
9 ~~for a community development block grant pursuant to 24 C.F.R. Part 570 or the~~
10 ~~Southern Nevada Enterprise Community, any of the areas described in~~
11 subparagraph (1).

12 3. A description provided pursuant to paragraph (d) of subsection 2 must
13 include an agreement by the developer or employer to offer and conduct training
14 for the residents described in that paragraph or make a good faith effort to
15 provide such training through a program of training that is offered by a
16 governmental agency and reasonably available to the developer or employer.

17 Sec. 14. (Deleted by amendment.)

18 Sec. 15. (Deleted by amendment.)

19 Sec. 15.5. ~~1. On or before January 1 of each year, if a community has a~~
20 ~~revolving loan account created by section 10.5 of this act, the agency shall submit~~
21 ~~to the Director of the Legislative Counsel Bureau, for transmittal to the Legislature,~~
22 ~~or to the Legislative Commission when the Legislature is not in regular session, a~~
23 ~~report for the previous fiscal year containing information on each loan made from~~
24 ~~the account.~~

25 ~~2. The report required pursuant to subsection 1 must be submitted for each~~
26 ~~fiscal year beginning with the Fiscal Year 2013-2014 and ending with the Fiscal~~
27 ~~Year 2016-2017.~~

28 ~~3. As used in this section:~~

29 ~~(a) "Agency" has the meaning ascribed to it in NRS 270.386.~~

30 ~~(b) "Community" has the meaning ascribed to it in NRS 270.392.~~ (Deleted by
31 amendment.)

32 Sec. 16. This act becomes effective on July 1, 2013.