Amendment No. 378

Assembly Amendment to Assembly Bill No. 445	(BDR 22-1100)
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	☐	Lost	☐		Adopted	☐	Lost	☐	
Concurred In	☐	Not	☐		Concurred In	☐	Not	☐	
Receded	☐	Not	☐		Receded	☐	Not	☐	

EXPLANATION: Matter in (1) ***blue bold italics*** is new language in the original bill; (2) variations of **green bold underlining** is language proposed to be added 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 proposed to be retained in this amendment.

EGO/BJE Date: 4/20/2015

A.B. No. 445—Makes various changes relating to redevelopment. (BDR 22-1100)

* A AB445 378 *

ASSEMBLY BILL NO. 445–COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 23, 2015

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Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to redevelopment. (BDR 22-1100)

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 redevelopment; requiring a portion of the revenues from taxes imposed on property in certain redevelopment areas to be set aside and used for public educational facilities; revising provisions relating to the extension of certain redevelopment plans; **revising provisions relating to the recalculation of the total assessed value of taxable property in certain redevelopment areas;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a redevelopment plan, and any amendments to the plan, adopted by the redevelopment agency of a city or county on or after January 1, 1991, terminates not later than 30 years after the date on which the original redevelopment plan was adopted. (NRS 279.439) **Section 3** of this bill extends to a maximum of 45 years the date of termination of **such** a redevelopment plan, and any amendments to the plan, adopted by a city **located in a county** whose population is ~~[250,000]~~ **700,000** or more ~~[but less than 500,000]~~ (currently ~~[the City of Henderson)]~~ **Clark County)** if the city council adopts the extension of the plan by ordinance. If such an ordinance is adopted, **section 1** of this bill requires that 18 percent of the revenues received **from taxes on the taxable property located in the redevelopment area affected by the ordinance** on or after the effective date of the ordinance be set aside to improve and preserve existing public educational facilities which are located within the redevelopment area or which serve pupils who reside within the redevelopment area. **Section 1** also provides that the obligation to set aside such revenues is subordinate to any existing obligations of the agency.

Under existing law, the date of termination of a redevelopment plan and any amendments to the plan adopted before January 1, 1991, by a redevelopment agency of a city whose population is 500,000 or more (currently the City of Las Vegas) is authorized to be extended by ordinance adopted by the city council of that city from a maximum of 45 years to 60 years if the following conditions exist on the date on which the extension is adopted: (1) 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; (2) 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 (3) the agency has $100 million or more in total outstanding indebtedness represented by bonds and other securities. (NRS 279.438) **Section 2** of this bill changes the assessed value requirement in the first condition from the basis of each individual redevelopment project to the aggregate of redevelopment projects in the redevelopment area and eliminates the third condition.

Under existing law, a redevelopment agency in a city located in a county whose population is 700,000 or more (currently Clark County) is authorized to adopt, in certain circumstances, an ordinance which provides for the recalculation of the total assessed value of the taxable property in a redevelopment area for certain purposes. If such a redevelopment agency adopts such an ordinance and receives certain revenue from taxes, existing law requires that 18 percent of the revenue received on or after the effective date of the ordinance be set aside to improve and preserve existing public educational facilities which are located within the redevelopment area or which serve pupils who reside within the redevelopment area. (NRS 279.676) Section 3.5 of this bill revises the total assessed value of taxable property to be included in that recalculation and specifies that the revenue received by the agency is from taxes on the taxable property located in the redevelopment area affected by the ordinance that is adopted.

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:

1. Except as otherwise provided in this section, an agency of a city located in a county whose population is ~~[250,000]~~ 700,000 or more ~~[but less than 500,000]~~ that adopts an ordinance pursuant to subsection 3 of NRS 279.439 and which receives revenue ~~[from taxes]~~ pursuant to paragraph (b) of subsection 1 of NRS 279.676 from taxes on the taxable property located in the redevelopment area affected by the ordinance shall set aside not less than 18 percent of such revenue received on or after the effective date of the ordinance to improve and preserve existing public educational facilities which are located within the redevelopment area or which serve pupils who reside within the redevelopment area. The provisions of this subsection do not apply if such an agency is required pursuant to subsection 6 of NRS 279.676 to set aside not less than 18 percent of revenue received ~~[from taxes]~~ pursuant to paragraph (b) of subsection 1 of NRS 279.676 from taxes on the taxable property located in the redevelopment area affected by the ordinance adopted by the agency pursuant to subsection 5 of NRS 279.676 on or after the effective date of ~~[the]~~ that ordinance to improve and preserve existing public educational facilities which are located within the redevelopment area or which serve pupils who reside within the redevelopment area. For each fiscal year, the agency shall prepare a written report concerning the amount of money expended for the purposes set forth in this subsection 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 pursuant to subsection 1 to set aside not less than 18 percent of the revenue ~~[from taxes]~~ allocated to and received by the agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 from taxes on the taxable property located in the redevelopment area affected by the ordinance adopted by the agency pursuant to subsection 3 of NRS 279.439 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 the effective date of the ordinance adopted by the agency pursuant to subsection 3 of NRS 279.439, 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 on or after the effective date of the ordinance adopted by the agency pursuant to subsection 3 of NRS 279.439 shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.

Sec. 2. 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, 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 the legislative body adopts an extension of the redevelopment plan by ordinance and, on the date on which the extension is adopted:

(a) The assessed value of ~~[each]~~ ***the aggregate number of*** redevelopment ~~[project]~~ ***projects*** in the redevelopment area is not less than the assessed value of the ***aggregate number of*** redevelopment ~~[project]~~ ***projects*** in the year in which the redevelopment plan was adopted; ***and***

(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. 3. NRS 279.439 is hereby amended to read as follows:

279.439 ~~[A]~~ ***1. Except as otherwise provided in subsections 2 and 3, a*** redevelopment plan adopted on or after January 1, 1991, and any amendments to the plan must terminate not later than 30 years after the date on which the original redevelopment plan is adopted.

2. A redevelopment plan, and any amendments to the plan, adopted on or after January 1, 1991, by an agency of a city <u>located in a county</u> ***whose population is*** ~~***[250,000]***~~ <u>700,000</u> ***or more*** ~~***[but less than 500,000]***~~ ***that meets the requirement of subsection 3 must terminate not later than 45 years after the date on which the original redevelopment plan is adopted.***

3. A redevelopment plan, and any amendments to the plan, may terminate on the date prescribed by subsection 2 only if the legislative body adopts an extension of the redevelopment plan by ordinance.

Sec. 3.5. <u>NRS 279.676 is hereby amended to read as follows:</u>

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) 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:

(1) The assessment roll last equalized before the effective date of the ordinance approving the redevelopment plan; or

(2) The assessment roll last equalized before the effective date of an ordinance adopted pursuant to subsection 5,

➥ whichever occurs later, less the assessed valuation of any exempt property subtracted pursuant to paragraph (a), all of the taxes levied and collected upon the taxable property in the redevelopment area must be paid into the funds of the respective taxing agencies. When the redevelopment plan is terminated pursuant to the provisions of NRS 279.438 and 279.439 and all loans, advances and indebtedness, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the redevelopment area must be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

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

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

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

(a) In a county whose population is 100,000 or more or a city whose population is 150,000 or more, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 10 percent of the total assessed valuation of the municipality.

(b) In a county whose population is 30,000 or more but less than 100,000 or a city whose population is 25,000 or more but less than 150,000, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 15 percent of the total assessed valuation of the municipality.

(c) In a county whose population is less than 30,000 or a city whose population is less than 25,000, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 20 percent of the total assessed valuation of the municipality.

➥ If the revenue paid to a redevelopment agency must be limited pursuant to paragraph (a), (b) or (c) and the redevelopment agency has more than one redevelopment area, the redevelopment agency shall determine the allocation to each area. Any revenue which would be allocated to a redevelopment agency but for the provisions of this section must be paid into the funds of the respective taxing 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 in any year the assessed value of the taxable property in a redevelopment area located in a city in a county whose population is 700,000 or more as shown by the assessment roll most recently equalized has decreased by 10 percent or more from the 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, the redevelopment agency may adopt an ordinance which provides that the total ***sum of the assessed value of the taxable property in the redevelopment area as shown by 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 approving the redevelopment plan, and the*** assessed value of the taxable property in the redevelopment area for the purposes of paragraph (b) of subsection 1 is 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 adopted pursuant to this subsection. A redevelopment agency may adopt an ordinance pursuant to this subsection only once, and the election to adopt such an ordinance is irrevocable.

6. An agency which adopts an ordinance pursuant to subsection 5 and which receives revenue ~~[from taxes]~~ pursuant to paragraph (b) of subsection 1 ***from taxes on the taxable property located in the redevelopment area affected by the ordinance*** shall set aside not less than 18 percent of that revenue received on and after the effective date of the ordinance to improve and preserve existing public educational facilities which are located within the redevelopment area or which serve pupils who reside within the redevelopment area. For each fiscal year, the agency shall prepare a written report concerning the amount of money expended for the purposes set forth in this subsection 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.

7. The obligation of an agency pursuant to subsection 6 to set aside not less than 18 percent of the revenue ~~[from taxes]~~ allocated to and received by the agency pursuant to paragraph (b) of subsection 1 ***from taxes on the taxable property located in the redevelopment area affected by the ordinance adopted by the agency pursuant to subsection 5*** 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 an agency before the effective date of an ordinance adopted by the agency pursuant to subsection 5, 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 on or after the effective date of an ordinance adopted by the agency pursuant to subsection 5 shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.

Sec. 4. NRS 279.680 is hereby amended to read as follows:

279.680 Except as otherwise provided in NRS 279.685 ~~[,]~~ ***and section 1 of this act,*** in any redevelopment plan, or in the proceedings for the advance of money, or the making of loans, or the incurring of any indebtedness, whether funded, refunded, assumed or otherwise, by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment project, the portion of taxes mentioned in paragraph (b) of subsection 1 of NRS 279.676 may be irrevocably pledged for the payment of the principal of and interest on those loans, advances or indebtedness.

Sec. 5. NRS 279.687 is hereby amended to read as follows:

279.687 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 ***or section 1 of this act*** 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 ~~[,]~~ ***and section 1 of this act,*** respectively.

Sec. 6. The provisions of subsection 1 of NRS 218D.380 do not apply to the reporting requirements of section 1 of this act.

Sec. 7. This act becomes effective on July 1, 2015.