

ASSEMBLY BILL NO. 246—ASSEMBLYMEN KRAMER; BENITEZ-THOMPSON, DALY, HANSEN AND TITUS (BY REQUEST)

MARCH 1, 2017

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to the creation of a local improvement district and tax increment area. (BDR 22-705)

FISCAL NOTE: Effect on Local Government: No.  
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 regional development; revising provisions relating to the creation of a local improvement district; authorizing the governing bodies of two or more municipalities to jointly create a tax increment area under certain circumstances; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law authorizes the governing body of any county, city or unincorporated town to create an improvement district for the acquisition of certain projects, including a park project, street project or commercial area vitalization project, and to finance the cost of any such project through the issuance of bonds and the levy of assessments upon property in the improvement district. (Chapter 271 of NRS) Two or more governmental entities are authorized under existing law to enter into a cooperative or interlocal agreement in certain circumstances to perform a governmental function. (NRS 277.045-277.188) Existing law authorizes a county to exercise its powers relating to local improvement projects for a project or benefited property that is within the boundaries of a city if the city in which that territory is located consents in an interlocal agreement to the exercise of those powers within its boundaries. (NRS 271.015) **Section 1** of this bill extends the authority to enter into such an interlocal agreement to two or more counties. Therefore, a county would be authorized under **section 1** to exercise its powers relating to local improvement projects for a project or benefited property that is within the boundaries of another county if the county in which that territory is located consents in an interlocal agreement to the exercise of those powers within its boundaries.

Existing law authorizes the governing body of a municipality to designate a tax increment area for the purpose of creating a special account for the payment of



\* A B 2 4 6 \*

bonds or other securities. The designation of a tax increment area by the governing body provides for the allocation of a portion of the taxes levied upon taxable property in the tax increment area each year to pay the bond requirements of loans, money advanced to or indebtedness incurred by the municipality to finance or refinance the project. (Chapter 278C of NRS) **Section 2** of this bill authorizes the governing bodies of two or more municipalities whose boundaries are contiguous to enter into an interlocal or cooperative agreement for the creation of a tax increment area for the acquisition or improvement of a street project whose boundaries encompass all or part of each municipality. **Section 2** further provides that if the governing bodies of the municipalities enter into such an agreement: (1) the governing bodies are authorized to take joint action to comply with certain procedures for the creation of a tax increment area; and (2) the tax increment area is required to be administered in accordance with the interlocal or cooperative agreement.

---

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

**Section 1.** NRS 271.015 is hereby amended to read as follows:  
271.015 Except as otherwise provided in NRS 271.700, this chapter applies:

1. To any unincorporated town.
2. To any city, including Carson City, whether incorporated or governed under a general act, special legislative act or special charter, enacted, adopted or granted pursuant to Section 1 or 8 of Article 8 of the Constitution of the State of Nevada, or otherwise.
3. To any county for any project outside of any city.
4. To any county, city, or town for a project not specified in this chapter but which that municipality is otherwise authorized by law to acquire and defray its cost by special assessment, and to any other political subdivision of this State otherwise authorized by law to acquire a specified or described project and to defray its cost by special assessment. In such a case, this chapter provides the method of doing so, to the extent that a special procedure is not provided in the authorizing statute.
5. To a county for a project or benefited property within the boundaries of a city ~~H~~ *or another county*, if the city *or other county* within whose boundaries the project or benefited property is located consents to the exercise of powers under this chapter within its boundaries, in an interlocal agreement entered into pursuant to NRS 277.045 to 277.180, inclusive.
6. To a city for a project or benefited property outside the boundaries of the city, if the county or other city within whose boundaries the project or benefited property is located consents to the exercise of powers under this chapter within its boundaries, in an interlocal agreement entered into pursuant to NRS 277.045 to 277.180, inclusive.



1     **Sec. 2.** Chapter 278C of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3     **1. The governing bodies of two or more municipalities whose**  
4 **boundaries are contiguous may enter into an interlocal or**  
5 **cooperative agreement for the ordering of an undertaking that is a**  
6 **street project whose boundaries encompass all or part of each**  
7 **municipality and the creation of the tax increment area and the**  
8 **tax increment account pertaining thereto. A tax increment area**  
9 **created pursuant to this section must be administered as provided**  
10 **in the interlocal or cooperative agreement, notwithstanding any**  
11 **provision of this chapter to the contrary.**

12     **2. If the governing bodies of two or more municipalities enter**  
13 **into an interlocal or cooperative agreement pursuant to subsection**  
14 **1, the governing bodies may, in accordance with the procedures**  
15 **set forth in the interlocal or cooperative agreement:**

16     **(a) Jointly take any action required to be taken by a governing**  
17 **body for the creation of a district by the governing body pursuant**  
18 **to NRS 278C.160, 278C.170, 278C.180, 278C.210, 278C.220,**  
19 **278C.230, 278C.270 and 278C.280, except that each governing**  
20 **body must adopt an ordinance pursuant to NRS 278C.220 in order**  
21 **to create the tax increment area; and**

22     **(b) Contract with a person to construct or improve the street**  
23 **project, issue bonds or otherwise finance the cost of the project.**

24     **Sec. 3.** This act becomes effective on July 1, 2017.

