

Assembly Bill No. 70—Committee
on Government Affairs

CHAPTER.....

AN ACT relating to redevelopment; expanding the purposes for which the proceeds of certain taxes levied in a redevelopment area may be used; revising the amount of the proceeds that must be set aside for such purposes; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The Community Redevelopment Law authorizes the city council, board of county commissioners or other legislative body of a city or county to declare the need for a redevelopment agency to function in the community. The Community Redevelopment Law grants a redevelopment agency certain powers and duties with regard to the elimination of blight in a redevelopment area in the community. (Chapter 279 of NRS)

Under existing law, a redevelopment agency in a city 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 on the taxable property located in the redevelopment area affected by the ordinance, existing law requires that not less than 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** of this bill limits the amount of the revenue that must be set aside to 18 percent and removes the requirement that the educational facilities be existing facilities. **Section 3** further provides that such revenue may also be used: (1) to increase, improve or enhance public educational facilities; (2) to support public educational activities and programs; or (3) for facilities, activities and programs which are located in or within 1 mile of the redevelopment area or which serve pupils who reside in or within 1 mile of the redevelopment area. **Section 1** of this bill defines the term "public educational activities and programs."

Under existing law, a city whose population is 500,000 or more (currently the City of Las Vegas) is required, under certain circumstances, to set aside not less than 18 percent of the revenue from taxes levied upon the taxable property in a redevelopment area received on or after October 1, 2011, but before March 6, 2031, 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. On or after March 6, 2031, not less than 18 percent of such revenues must be set aside and used only to improve existing public educational facilities located within a redevelopment area or within 1 mile of a redevelopment area. (NRS 279.685) For revenue received on or after July 1, 2017, **section 4** of this bill limits the amount of such revenue that must be set aside to 18 percent, removes the requirement that the educational facilities be existing facilities, expands the purposes for which money may be spent in connection with such facilities, and authorizes such spending for facilities and educational programs and activities which are located in or within 1 mile of the redevelopment area or which serve pupils who reside in or within 1 mile of the redevelopment area.



Under existing law, the city council of a city whose population is 220,000 or more but less than 500,000 located in a county whose population is 700,000 or more (currently the City of Henderson) is required, under certain circumstances, to set aside not less than 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 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 279.6855) **Section 5** of this bill limits the amount of the revenue that must be set aside to 18 percent, removes the requirement that the educational facilities be existing facilities, expands the purposes for which money may be spent in connection with such facilities, and authorizes such spending for facilities, educational programs and activities which are located in or within 1 mile of the redevelopment area or which serve pupils who reside in or within 1 mile of the redevelopment area.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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. “Public educational activities and programs” includes, without limitation:

- (a) Early childhood education programs;*
- (b) Literacy programs;*
- (c) Summer learning programs, before- and after-school programs and other instruction at times during the year when school is not in session; and*
- (d) Wrap-around services.*

2. As used in this section, “wrap-around services” means integrated student supports and supplemental services provided to a pupil that help create an environment conducive to learning and assist the pupil in making the transition from early childhood education through postsecondary education and into the workforce.

Sec. 2. NRS 279.384 is hereby amended to read as follows:

279.384 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 279.386 to 279.414, inclusive, *and section 1 of this act* have the meanings ascribed to them in those sections.

Sec. 3. NRS 279.676 is hereby amended to read as follows:

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 assessed value of the taxable property in the redevelopment area for the purposes of paragraphs (a) and (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 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~~ :

(a) ~~land~~ *Increase, improve, preserve ~~existing~~ or enhance* public educational facilities ;

(b) *Support public educational activities and programs; or*

(c) *Increase, improve, preserve or enhance public educational facilities and support public educational activities and programs,*

↳ which are located *in or* within *1 mile of* the redevelopment area or which serve pupils who reside *in or* within *1 mile of* 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 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 279.685 is hereby amended to read as follows:

279.685 1. Except as otherwise provided in this section or subsections 6 and 7 of NRS 279.676, 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~~ **Not less than 15** 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;

(b) ~~Eighteen~~ **Not less than 18** percent of that revenue received on or after October 1, 2011, but before ~~March 6, 2031~~ **July 1, 2017**, 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; and

(c) *Eighteen percent of that revenue received on or after July 1, 2017, but before March 6, 2031, to increase, improve, preserve or enhance the operating viability of dwelling units in the community for low-income households and:*

(1) Increase, improve, preserve or enhance public educational facilities;

(2) Support public educational activities and programs; or

(3) Increase, improve, preserve or enhance public educational facilities and support public educational activities and programs,

↳ which are located in or within 1 mile of a redevelopment area or which serve pupils who reside in or within 1 mile of a redevelopment area; and

(d) Eighteen percent of that revenue received on or after March 6, 2031, to ~~improve~~ :

(1) ~~existing~~ *Increase, improve, preserve or enhance* public educational facilities ;

(2) Support public educational activities and programs; or

(3) Increase, improve, preserve or enhance public educational facilities and support public educational activities and programs,

↳ described in ~~subparagraph (2) of~~ paragraph ~~(b).~~

↳ ~~For~~ (c).

2. *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) , ~~for paragraph~~ (c) ~~or (d) of subsection 1,~~ 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.

~~2-1~~ 3. 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.

~~13-1~~ 4. 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.

~~14-1~~ 5. From the revenue set aside by an agency pursuant to paragraph (b) *or (c)* of subsection 1, not more than 50 percent of that amount may be used to:

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

(b) ~~Improve existing~~ *Increase, improve, preserve or enhance public educational facilities , support public educational activities and programs or increase, improve, preserve or enhance public educational facilities and support public educational activities and programs which are* located *in or* within 1 mile of a redevelopment area or *which serve pupils who reside in 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.

~~15-1~~ 6. Except as otherwise provided in paragraphs (b) , ~~and~~ (c) *and (d)* of subsection 1 and subsection ~~4-1~~ 5, the agency may expend or otherwise commit money for the purposes of subsection 1 outside the boundaries of the redevelopment area.

Sec. 5. NRS 279.6855 is hereby amended to read as follows:

279.6855 1. Except as otherwise provided in this section, an agency of a city whose population is 220,000 or more but less than 500,000 located in a county whose population is 700,000 or more that adopts an ordinance pursuant to subsection 4 of NRS 279.439 and which receives revenue 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~~ :

(a) ~~and~~ *Increase, improve, preserve ~~existing~~ or enhance* public educational facilities ;

(b) *Support public educational activities and programs; or*

(c) *Increase, improve, preserve or enhance public educational facilities and support public educational activities and programs,*

↳ which are located *in or* within *1 mile of* the redevelopment area or which serve pupils who reside *in or* within *1 mile of* 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 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 that ordinance to *increase, improve, ~~and~~ preserve ~~existing~~ or enhance* public educational facilities , *support public educational activities and programs or increase, improve, preserve or enhance public educational activities and support public educational activities and programs* which are located *in or* within *1 mile of* the redevelopment area or which serve pupils who reside *in or* within *1 mile of* 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 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 4 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 4 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 4 of NRS 279.439 shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.

Sec. 6. NRS 279.687 is hereby amended to read as follows:

279.687 A school district shall not use any money received pursuant to subsection 6 of NRS 279.676, ~~subparagraph (2) of~~ paragraph (b) , *(c) or (d)* of subsection 1 of NRS ~~279.685, paragraph (e) of subsection 1 of NRS~~ 279.685 or NRS 279.6855 to reduce or supplant the amount of any money which the school district would otherwise expend for the purposes described in ~~subsection 6 of NRS 279.676, subparagraph (2) of paragraph (b) of subsection 1 of NRS 279.685, paragraph (e) of subsection 1 of NRS 279.685 and NRS 279.6855, respectively.~~ *those provisions.*

Sec. 7. This act becomes effective on July 1, 2017.

