

ASSEMBLY BILL NO. 70—COMMITTEE  
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE CITY OF LAS VEGAS)

PREFILED NOVEMBER 17, 2016

Referred to Committee on Government Affairs

SUMMARY—Revises provisions concerning the use of certain revenues in a redevelopment area. (BDR 22-413)

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; 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.

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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***



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1 *a pupil that help create an environment conducive to learning and*  
2 *assist the pupil in making the transition from early childhood*  
3 *education through postsecondary education and into the*  
4 *workforce.*

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

6 279.384 As used in this chapter, unless the context otherwise  
7 requires, the words and terms defined in NRS 279.386 to 279.414,  
8 inclusive, *and section 1 of this act* have the meanings ascribed to  
9 them in those sections.

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

11 279.676 1. Any redevelopment plan may contain a provision  
12 that taxes, if any, levied upon taxable property in the redevelopment  
13 area each year by or for the benefit of the State, any city, county,  
14 district or other public corporation, after the effective date of the  
15 ordinance approving the redevelopment plan, must be divided as  
16 follows:

17 (a) That portion of the taxes which would be produced by the  
18 rate upon which the tax is levied each year by or for each of  
19 the taxing agencies upon the total sum of the assessed value of the  
20 taxable property in the redevelopment area as shown upon the  
21 assessment roll used in connection with the taxation of the property  
22 by the taxing agency, last equalized before the effective date of the  
23 ordinance, must be allocated to and when collected must be paid  
24 into the funds of the respective taxing agencies as taxes by or for  
25 such taxing agencies on all other property are paid. To allocate taxes  
26 levied by or for any taxing agency or agencies which did not include  
27 the territory in a redevelopment area on the effective date of the  
28 ordinance but to which the territory has been annexed or otherwise  
29 included after the effective date, the assessment roll of the county  
30 last equalized on the effective date of the ordinance must be used in  
31 determining the assessed valuation of the taxable property in the  
32 redevelopment area on the effective date. If property which was  
33 shown on the assessment roll used to determine the amount of taxes  
34 allocated to the taxing agencies is transferred to the State and  
35 becomes exempt from taxation, the assessed valuation of the exempt  
36 property as shown on the assessment roll last equalized before the  
37 date on which the property was transferred to the State must be  
38 subtracted from the assessed valuation used to determine the amount  
39 of revenue allocated to the taxing agencies.

40 (b) Except as otherwise provided in paragraphs (c) and (d) and  
41 NRS 540A.265, that portion of the levied taxes each year in excess  
42 of the amount set forth in paragraph (a) must be allocated to and  
43 when collected must be paid into a special fund of the  
44 redevelopment agency to pay the costs of redevelopment and to pay  
45 the principal of and interest on loans, money advanced to, or



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1 indebtedness, whether funded, refunded, assumed, or otherwise,  
2 incurred by the redevelopment agency to finance or refinance, in  
3 whole or in part, redevelopment. Unless the total assessed valuation  
4 of the taxable property in a redevelopment area exceeds the total  
5 assessed value of the taxable property in the redevelopment area as  
6 shown by:

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

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

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

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

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

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

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

43 (b) In a county whose population is 30,000 or more but less than  
44 100,000 or a city whose population is 25,000 or more but less than  
45 150,000, an amount equal to the combined tax rates of the taxing



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1 agencies for that fiscal year multiplied by 15 percent of the total  
2 assessed valuation of the municipality.

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

8 ➔ If the revenue paid to a redevelopment agency must be limited  
9 pursuant to paragraph (a), (b) or (c) and the redevelopment agency  
10 has more than one redevelopment area, the redevelopment agency  
11 shall determine the allocation to each area. Any revenue which  
12 would be allocated to a redevelopment agency but for the provisions  
13 of this section must be paid into the funds of the respective taxing  
14 agencies.

15 3. The taxing agencies shall continue to pay to a  
16 redevelopment agency any amount which was being paid before  
17 July 1, 1987, and in anticipation of which the agency became  
18 obligated before July 1, 1987, to repay any bond, loan, money  
19 advanced or any other indebtedness, whether funded, refunded,  
20 assumed or otherwise incurred.

21 4. For the purposes of this section, the assessment roll last  
22 equalized before the effective date of the ordinance approving the  
23 redevelopment plan is the assessment roll in existence on March 15  
24 immediately preceding the effective date of the ordinance.

25 5. If in any year the assessed value of the taxable property in a  
26 redevelopment area located in a city in a county whose population is  
27 700,000 or more as shown by the assessment roll most recently  
28 equalized has decreased by 10 percent or more from the assessed  
29 value of the taxable property in the redevelopment area as shown by  
30 the assessment roll last equalized before the effective date of the  
31 ordinance approving the redevelopment plan, the redevelopment  
32 agency may adopt an ordinance which provides that the total  
33 assessed value of the taxable property in the redevelopment area for  
34 the purposes of paragraphs (a) and (b) of subsection 1 is the total  
35 assessed value of the taxable property in the redevelopment area as  
36 shown by the assessment roll last equalized before the effective date  
37 of the ordinance adopted pursuant to this subsection. A  
38 redevelopment agency may adopt an ordinance pursuant to this  
39 subsection only once, and the election to adopt such an ordinance is  
40 irrevocable.

41 6. An agency which adopts an ordinance pursuant to subsection  
42 5 and which receives revenue pursuant to paragraph (b) of  
43 subsection 1 from taxes on the taxable property located in the  
44 redevelopment area affected by the ordinance shall set aside ~~not~~



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1 ~~less than~~ 18 percent of that revenue received on and after the  
2 effective date of the ordinance to ~~improve~~ :

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

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

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

8 → which are located *in or* within *1 mile of* the redevelopment area  
9 or which serve pupils who reside *in or* within *1 mile of* the  
10 redevelopment area. For each fiscal year, the agency shall prepare a  
11 written report concerning the amount of money expended for the  
12 purposes set forth in this subsection and shall, on or before  
13 November 30 of each year, submit a copy of the report to the  
14 Director of the Legislative Counsel Bureau for transmittal to the  
15 Legislative Commission, if the report is received during an odd-  
16 numbered year, or to the next session of the Legislature, if the report  
17 is received during an even-numbered year.

18 7. The obligation of an agency pursuant to subsection 6 to set  
19 aside ~~not less than~~ 18 percent of the revenue allocated to and  
20 received by the agency pursuant to paragraph (b) of subsection 1  
21 from taxes on the taxable property located in the redevelopment area  
22 affected by the ordinance adopted by the agency pursuant to  
23 subsection 5 is subordinate to any existing obligations of the  
24 agency. As used in this subsection, "existing obligations" means the  
25 principal and interest, when due, on any bonds, notes or other  
26 indebtedness whether funded, refunded, assumed or otherwise  
27 incurred by an agency before the effective date of an ordinance  
28 adopted by the agency pursuant to subsection 5, to finance or  
29 refinance in whole or in part, the redevelopment of a redevelopment  
30 area. For the purposes of this subsection, obligations incurred by an  
31 agency on or after the effective date of an ordinance adopted by the  
32 agency pursuant to subsection 5 shall be deemed existing  
33 obligations if the net proceeds are used to refinance existing  
34 obligations of the agency.

35 **Sec. 4.** NRS 279.685 is hereby amended to read as follows:

36 279.685 1. Except as otherwise provided in this section or  
37 subsections 6 and 7 of NRS 279.676, an agency of a city whose  
38 population is 500,000 or more that receives revenue from taxes  
39 pursuant to paragraph (b) of subsection 1 of NRS 279.676 shall set  
40 aside : ~~not less than~~

41 (a) ~~Fifteen~~ *Not less than 15* percent of that revenue received  
42 on or before October 1, 1999, and 18 percent of that revenue  
43 received after October 1, 1999, but before October 1, 2011, to  
44 increase, improve and preserve the number of dwelling units in the  
45 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-~~ 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



1 this subsection, "existing obligations" means the principal and  
2 interest, when due, on any bonds, notes or other indebtedness  
3 whether funded, refunded, assumed or otherwise incurred by the  
4 agency before July 1, 1993, to finance or refinance in whole or in  
5 part, the redevelopment of a redevelopment area. For the purposes  
6 of this subsection, obligations incurred by an agency after July 1,  
7 1993, shall be deemed existing obligations if the net proceeds are  
8 used to refinance existing obligations of the agency.

9 ~~13-1~~ 4. The obligation of an agency to set aside an additional 3  
10 percent of the revenue from taxes allocated to and received by the  
11 agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is  
12 subordinate to any existing obligations of the agency. As used in  
13 this subsection, "existing obligations" means the principal and  
14 interest, when due, on any bonds, notes or other indebtedness  
15 whether funded, refunded, assumed or otherwise incurred by the  
16 agency before October 1, 1999, to finance or refinance in whole or  
17 in part, the redevelopment of a redevelopment area. For the purposes  
18 of this subsection, obligations incurred by an agency after  
19 October 1, 1999, shall be deemed existing obligations if the net  
20 proceeds are used to refinance existing obligations of the agency.

21 ~~14-1~~ 5. From the revenue set aside by an agency pursuant to  
22 paragraph (b) *or (c)* of subsection 1, not more than 50 percent of  
23 that amount may be used to:

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

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

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

37 ~~15-1~~ 6. Except as otherwise provided in paragraphs (b) , ~~and~~  
38 (c) *and (d)* of subsection 1 and subsection ~~14-1~~ 5, the agency may  
39 expend or otherwise commit money for the purposes of subsection 1  
40 outside the boundaries of the redevelopment area.

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

42 279.6855 1. Except as otherwise provided in this section, an  
43 agency of a city whose population is 220,000 or more but less than  
44 500,000 located in a county whose population is 700,000 or more  
45 that adopts an ordinance pursuant to subsection 4 of NRS 279.439





1 and which receives revenue pursuant to paragraph (b) of subsection  
2 1 of NRS 279.676 from taxes on the taxable property located in the  
3 redevelopment area affected by the ordinance shall set aside ~~not~~  
4 ~~less than~~ 18 percent of such revenue received on or after the  
5 effective date of the ordinance to ~~improve~~ :

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

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

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

11 ↪ which are located *in or* within *1 mile of* the redevelopment area  
12 or which serve pupils who reside *in or* within *1 mile of* the  
13 redevelopment area. The provisions of this subsection do not apply  
14 if such an agency is required pursuant to subsection 6 of NRS  
15 279.676 to set aside ~~not less than~~ 18 percent of revenue received  
16 pursuant to paragraph (b) of subsection 1 of NRS 279.676 from  
17 taxes on the taxable property located in the redevelopment area  
18 affected by the ordinance adopted by the agency pursuant to  
19 subsection 5 of NRS 279.676 on or after the effective date of that  
20 ordinance to *increase, improve , ~~and~~ preserve ~~existing~~ or*  
21 *enhance* public educational facilities , *support public educational*  
22 *activities and programs or increase, improve, preserve or enhance*  
23 *public educational activities and support public educational*  
24 *activities and programs* which are located *in or* within *1 mile of* the  
25 redevelopment area or which serve pupils who reside *in or* within *1*  
26 *mile of* the redevelopment area. For each fiscal year, the agency  
27 shall prepare a written report concerning the amount of money  
28 expended for the purposes set forth in this subsection and shall, on  
29 or before November 30 of each year, submit a copy of the report to  
30 the Director of the Legislative Counsel Bureau for transmittal to the  
31 Legislative Commission, if the report is received during an odd-  
32 numbered year, or to the next session of the Legislature, if the report  
33 is received during an even-numbered year.

34 2. The obligation of an agency pursuant to subsection 1 to set  
35 aside ~~not less than~~ 18 percent of the revenue allocated to and  
36 received by the agency pursuant to paragraph (b) of subsection 1 of  
37 NRS 279.676 from taxes on the taxable property located in the  
38 redevelopment area affected by the ordinance adopted by the agency  
39 pursuant to subsection 4 of NRS 279.439 is subordinate to any  
40 existing obligations of the agency. As used in this subsection,  
41 “existing obligations” means the principal and interest, when due,  
42 on any bonds, notes or other indebtedness whether funded,  
43 refunded, assumed or otherwise incurred by the agency before the  
44 effective date of the ordinance adopted by the agency pursuant to  
45 subsection 4 of NRS 279.439, to finance or refinance in whole or in



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1 part, the redevelopment of a redevelopment area. For the purposes  
2 of this subsection, obligations incurred by an agency on or after the  
3 effective date of the ordinance adopted by the agency pursuant to  
4 subsection 4 of NRS 279.439 shall be deemed existing obligations if  
5 the net proceeds are used to refinance existing obligations of the  
6 agency.

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

8 279.687 A school district shall not use any money received  
9 pursuant to subsection 6 of NRS 279.676, ~~subparagraph (2) of~~  
10 paragraph (b) , *(c) or (d)* of subsection 1 of NRS ~~279.685,~~  
11 ~~paragraph (e) of subsection 1 of NRS~~ 279.685 or NRS 279.6855 to  
12 reduce or supplant the amount of any money which the school  
13 district would otherwise expend for the purposes described in  
14 ~~subsection 6 of NRS 279.676, subparagraph (2) of paragraph (b) of~~  
15 ~~subsection 1 of NRS 279.685, paragraph (c) of subsection 1 of NRS~~  
16 ~~279.685 and NRS 279.6855, respectively.~~ *those provisions.*

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

