

**Amendment No. 877**

Senate Amendment to Assembly Bill No. 80 First Reprint (BDR 22-416)

**Proposed by:** Senate 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) 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.

JFD/EGO



Date: 5/24/2017

A.B. No. 80—Revises provisions governing redevelopment in certain cities.  
(BDR 22-416)





ASSEMBLY BILL NO. 80—COMMITTEE  
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE CITY OF RENO)

PREFILED NOVEMBER 17, 2016

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing redevelopment in certain cities.  
(BDR 22-416)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; allowing certain cities to extend the date for termination of certain redevelopment plans under certain circumstances; requiring that the payment of certain costs by a redevelopment agency be made pursuant to a written agreement; revising provisions relating to the area included within a redevelopment area; requiring certain cities to set aside a portion of the revenues from taxes imposed on property in certain redevelopment areas to be used to improve and preserve existing public educational facilities; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Under existing law, a redevelopment 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), 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, if certain conditions are met, 60 years after the date on which the original redevelopment plan was adopted, whichever is later. Any other redevelopment plan adopted before January 1, 1991, and any amendments to the plan also must terminate upon the retirement of the last maturing securities or up to 45 years after the date on which the original redevelopment plan was adopted, whichever is later. (NRS 279.438) **Section 1** of this bill authorizes a city whose population is 220,000 or more located in a county whose population is 100,000 or more but less than 700,000 (currently the City of Reno) to extend the date of termination of a redevelopment plan adopted before January 1, 1991, to the later of the retirement of the last maturing securities or 60 years after the date on which the original redevelopment plan was adopted, whichever is later. The extension of the termination period from 45 years to 60 years is only available if the legislative body of the city adopts an extension of the redevelopment plan by ordinance. The adoption of an extension of a redevelopment plan has no effect on the allocation of revenues among taxing authorities within the redevelopment area.

Under existing law, the redevelopment agency of a city or county, with the consent of the governing body of the city or county, is authorized, in certain circumstances, to pay all or part of the value of the land for and the cost of the construction of a building, facility, structure or other improvement to real property or installation of an improvement which is publicly or privately owned and is located within or without a redevelopment area for which the agency has adopted a redevelopment plan. (NRS 279.486) Section 1.2 of this bill provides that an agency may only make such payments pursuant to a written agreement with one or more developers or other persons.

Existing law imposes various requirements relating to the area included within a redevelopment area. (NRS 279.519) Section 1.4 of this bill requires that the boundaries of a redevelopment area created after July 1, 2017, and the boundaries of an area added to a redevelopment area after July 1, 2017: (1) follow, in the same manner as for election precincts, visible ground features or extensions of visible ground features, except where the boundary coincides with the official boundary of the State or a county or city; and (2) be regular in shape, except to the extent of physical or political boundaries. Sections 1.4 and 1.6 of this bill require a redevelopment area to contain all taxable property in the area, except for certain property which is specifically excluded.

Existing law authorizes an amendment to an existing redevelopment area, including the addition of one or more areas to the redevelopment area. (NRS 279.608) Section 1.8 of this bill prohibits the removal of an area from a redevelopment area by amendment.

Under existing law, if the redevelopment 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 (currently the City of Henderson) adopts an ordinance extending the date of termination of its redevelopment plan, 18 percent of the incremental 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 is required to be set aside and used 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. Existing law also provides that the obligation to set aside such revenues is subordinate to any existing obligations of the agency. (NRS 279.6855) Section 2.5 of this bill extends the applicability of these provisions to any city whose population is 220,000 or more but less than 500,000, regardless of the population of the county in which it is located (currently the cities of Henderson and Reno), but only if the city adopts an ordinance extending the date of termination of its redevelopment plan.

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

**Section 1.** 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 220,000 or more located in a county whose population is 100,000 or more but less than 700,000, if the legislative body adopts an extension of the redevelopment plan by ordinance, 60 years after the date on which the original redevelopment plan was adopted, whichever is later. Such an extension of a redevelopment plan has no effect on the allocation of revenues among taxing authorities within such a redevelopment area.*

(b) 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.

~~1~~ ~~(b)~~ (c) With respect to any other redevelopment plan, including a  
2 redevelopment plan adopted by an agency of a city ~~whose population is 500,000 or~~  
3 ~~more, specified in paragraph (a) or (b),~~ if the requirements set forth in ~~subsection~~  
4 ~~24~~ paragraph (a) or (b) are not met, 45 years after the date on which the original  
5 redevelopment plan was adopted, whichever is later.

6 2. A redevelopment plan adopted by an agency of a city whose population is  
7 500,000 or more may terminate on the date prescribed by paragraph ~~(a)~~ (b) of  
8 subsection 1 only if the legislative body adopts an extension of the redevelopment  
9 plan by ordinance and, on the date on which the extension is adopted:

10 (a) The assessed value of the aggregate number of redevelopment projects in  
11 the redevelopment area is not less than the assessed value of the aggregate number  
12 of redevelopment projects in the year in which the redevelopment plan was  
13 adopted; and

14 (b) The assessed value of the redevelopment area is not less than 75 percent of  
15 the assessed value of the redevelopment area in the year in which the  
16 redevelopment plan was adopted.

17 **Sec. 1.2. NRS 279.486 is hereby amended to read as follows:**

18 279.486 1. An agency may, with the consent of the legislative body, ~~and~~ and  
19 pursuant to a written agreement with one or more developers or other persons,  
20 pay all or part of the value of the land for and the cost of the construction of any  
21 building, facility, structure or other improvement and the installation of any  
22 improvement which is publicly or privately owned and located within or without  
23 the redevelopment area.

24 2. Within 14 days before a meeting at which the legislative body of a city  
25 whose population is 500,000 or more is scheduled to consider an action proposed  
26 by the agency of the city pursuant to subsection 1, the agency shall make available  
27 to the public a detailed report which includes, without limitation:

28 (a) A copy of any contract, memorandum of understanding or other agreement  
29 between the agency or the legislative body and any other person relating to the  
30 redevelopment project.

31 (b) A summary of the redevelopment project which includes, without  
32 limitation:

33 (1) A full and complete description of:

34 (I) The costs of the redevelopment project, including, without  
35 limitation, the costs of acquiring any real property, clearance costs, relocation costs,  
36 the costs of any improvements which will be paid by the agency and the amount of  
37 the anticipated interest on any bonds issued or sold to finance the project.

38 (II) The estimated current value of the real property interest to be  
39 conveyed or leased, determined at its highest and best use permitted under the  
40 redevelopment plan.

41 (III) The estimated value of the real property interest to be conveyed or  
42 leased, determined at the use and with the conditions, covenants and restrictions,  
43 and development costs required by the sale or lease, and the current purchase price  
44 or present value of the lease payments which the lessee is required to make during  
45 the term of the lease. If the sale price or present value of the total rental amount to  
46 be paid to the agency or legislative body is less than the fair market value of the  
47 real property interest to be conveyed or leased, determined at the highest and best  
48 use permitted under the redevelopment plan, the agency shall provide an  
49 explanation of the reason for the difference.

50 (2) An explanation of how the project will assist in the elimination of  
51 blight, including, without limitation, reference to all supporting facts and materials  
52 relied on in reaching the conclusions presented in the explanation.

3. Before the legislative body may give its consent to an action proposed by the agency pursuant to subsection 1, it must determine that:

(a) The buildings, facilities, structures or other improvements are of benefit to the redevelopment area or the immediate neighborhood in which the redevelopment area is located; and

(b) No other reasonable means of financing those buildings, facilities, structures or other improvements are available.

➤ Those determinations by the agency and the legislative body are final and conclusive.

4. In reaching its determination that the buildings, facilities, structures or other improvements are of benefit to the redevelopment area or the immediate neighborhood in which the redevelopment area is located, the legislative body shall consider:

(a) Whether the buildings, facilities, structures or other improvements are likely to:

(1) Encourage the creation of new business or other appropriate development;

(2) Create jobs or other business opportunities for nearby residents;

(3) Increase local revenues from desirable sources;

(4) Increase levels of human activity in the redevelopment area or the immediate neighborhood in which the redevelopment area is located;

(5) Possess attributes that are unique, either as to type of use or level of quality and design;

(6) Require for their construction, installation or operation the use of qualified and trained labor; and

(7) Demonstrate greater social or financial benefits to the community than would a similar set of buildings, facilities, structures or other improvements not paid for by the agency.

(b) The opinions of persons who reside in the redevelopment area or the immediate neighborhood in which the redevelopment area is located.

(c) Comparisons between the level of spending proposed by the agency and projections, made on a pro forma basis by the agency, of future revenues attributable to the buildings, facilities, structures or other improvements.

5. If the value of that land or the cost of the construction of that building, facility, structure or other improvement, or the installation of any improvement has been, or will be, paid or provided for initially by the community or other governmental entity, the agency may enter into a contract with that community or governmental entity under which it agrees to reimburse the community or governmental entity for all or part of the value of that land or of the cost of the building, facility, structure or other improvement, or both, by periodic payments over a period of years. The obligation of the agency under that contract constitutes an indebtedness of the agency which may be payable out of taxes levied and allocated to the agency under paragraph (b) of subsection 1 of NRS 279.676, or out of any other available money.

**Sec. 1.4. NRS 279.519 is hereby amended to read as follows:**

279.519 1. A redevelopment area need not be restricted to buildings, improvements or lands which are detrimental or inimical to the public health, safety or welfare, but may consist of an area in which such conditions predominate and injuriously affect the entire area. A redevelopment area may include, in addition to blighted areas, lands, buildings or improvements which are not detrimental to the public health, safety or welfare, but whose inclusion is found necessary for the effective redevelopment of the area of which they are a part.

2. At least 75 percent of the area included within a redevelopment area must be improved land and may include, without limitation:

(a) Public land upon which public buildings have been erected or improvements have been constructed.

(b) Land on which an abandoned mine, landfill or other similar use is located and which is surrounded by or directly abuts the improved land.

3. The area included within a redevelopment area may be contiguous or noncontiguous.

4. If the subject of the redevelopment is an eligible railroad or facilities related to an eligible railroad, the area included within a redevelopment area may consist of contiguous or noncontiguous vacant land that:

(a) Is located near the eligible railroad; and

(b) May accommodate commercial or industrial facilities that may use the eligible railroad.

5. The boundaries of a redevelopment area created after July 1, 2017, and of each area of land added to a redevelopment area by an amendment adopted pursuant to NRS 279.608 after July 1, 2017, must:

(a) Follow visible ground features or extensions of visible ground features, except where the boundary coincides with the official boundary of the State or a county or city; and

(b) Except to the extent of physical or political boundaries, be regular in shape.

6. A redevelopment area must include all taxable property within the area except for property which is taxable pursuant to NRS 361.157 or which must be excluded pursuant to subsection 7.

7. The taxable property in a redevelopment area must not be included in any subsequently created redevelopment area until at least 50 years after the effective date of creation of the first redevelopment area in which the property was included.

~~(6)~~ 8. As used in this section, ~~“improved”~~:

~~(a)~~ “Improved” land means:

~~(1)~~ (I) Land that contains structures which:

~~(1)~~ (I) Are used for residential, commercial, industrial or governmental purposes; and

~~(2)~~ (II) Have been connected to water facilities, sewer facilities or roads, or any combination thereof;

~~(b)~~ (2) Any areas related to the structures described in ~~paragraph (a)~~, subparagraph (I), including, without limitation, landscaping areas, parking areas, parks and streets; and

~~(c)~~ (3) If the subject of the redevelopment is an eligible railroad or facilities related to an eligible railroad:

~~(1)~~ (I) Land on which the eligible railroad is located; and

~~(2)~~ (II) Any areas related to the eligible railroad, including, without limitation, land on which is located railroad tracks, a railroad right-of-way or a facility related to the eligible railroad.

(b) “Visible ground feature” includes, without limitation, a street, road, highway, river, stream, shoreline, drainage ditch, railroad right-of-way or any other physical feature which is clearly visible from the ground.

Sec. 1.6. NRS 279.583 is hereby amended to read as follows:

279.583 ~~After~~ Except as otherwise provided in this section, after publication of notice of the public hearing pursuant to NRS 279.580 and before approval of the redevelopment plan by the legislative body, the legislative body may submit to the planning commission a proposal to exclude land from a proposed redevelopment area. The legislative body may not exclude any taxable property

1 within the area except for property which is taxable pursuant to NRS 361.157 or  
2 which must be excluded pursuant to subsection 7 of NRS 279.519. Within 30 days  
3 after that change is submitted to it for consideration, the planning commission shall  
4 submit its report and recommendation to the legislative body. If the planning  
5 commission does not report upon the change within 30 days after its submission by  
6 the legislative body, the legislative body may proceed to exclude the land from the  
7 proposed redevelopment area without that report and recommendation.

8 **Sec. 1.8. NRS 279.608 is hereby amended to read as follows:**

9 279.608 1. If, at any time after the adoption of a redevelopment plan by the  
10 legislative body, the agency desires to take an action that will constitute a material  
11 deviation from the plan or otherwise determines that it would be necessary or  
12 desirable to amend the plan, the agency must recommend the amendment of the  
13 plan to the legislative body. An amendment may include the addition of one or  
14 more areas to any redevelopment area ~~+~~ but may not include the removal of an  
15 area from any redevelopment area, regardless of whether that area was initially a  
16 part of the redevelopment area or was added later through amendment.

17 2. Before recommending amendment of the plan, the agency shall hold a  
18 public hearing on the proposed amendment. Notice of that hearing must be  
19 published at least 10 days before the date of hearing in a newspaper of general  
20 circulation, printed and published in the community, or, if there is none, in a  
21 newspaper selected by the agency. The notice of hearing must include a legal  
22 description of the boundaries of the area designated in the plan to be amended and a  
23 general statement of the purpose of the amendment.

24 3. In addition to the notice published pursuant to subsection 2, the agency  
25 shall cause a notice of hearing on a proposed amendment to the plan to be sent by  
26 mail at least 10 days before the date of the hearing to each owner of real property,  
27 as listed in the records of the county assessor, whom the agency determines is likely  
28 to be directly affected by the proposed amendment. The notice must:

29 (a) Set forth the date, time, place and purpose of the hearing and a physical  
30 description of, or a map detailing, the proposed amendment; and

31 (b) Contain a brief summary of the intent of the proposed amendment.

32 4. If after the public hearing, the agency recommends substantial changes in  
33 the plan which affect the master or community plan adopted by the planning  
34 commission or the legislative body, those changes must be submitted by the agency  
35 to the planning commission for its report and recommendation. The planning  
36 commission shall give its report and recommendations to the legislative body  
37 within 30 days after the agency submitted the changes to the planning commission.

38 5. After receiving the recommendation of the agency concerning the changes  
39 in the plan, the legislative body shall hold a public hearing on the proposed  
40 amendment, notice of which must be published in a newspaper in the manner  
41 designated for notice of hearing by the agency. If after that hearing the legislative  
42 body determines that the amendments in the plan, proposed by the agency, are  
43 necessary or desirable, the legislative body shall adopt an ordinance amending the  
44 ordinance adopting the plan.

45 6. As used in this section, "material deviation" means an action that, if taken,  
46 would alter significantly one or more of the aspects of a redevelopment plan that  
47 are required to be shown in the redevelopment plan pursuant to NRS 279.572. The  
48 term includes, without limitation, the vacation of a street that is depicted in the  
49 streets and highways plan of the master plan described in NRS 278.160 which has  
50 been adopted for the community and the relocation of a public park. The term does  
51 not include the vacation of a street that is not depicted in the streets and highways  
52 plan of the master plan described in NRS 278.160 which has been adopted for the  
53 community.



1       Sec. 2. (Deleted by amendment.)

2       Sec. 2.5. NRS 279.6855 is hereby amended to read as follows:

3       279.6855 1. Except as otherwise provided in this section, an agency of a  
4 city whose population is 220,000 or more but less than 500,000 ~~located in a county~~  
5 ~~whose population is 700,000 or more~~ that adopts an ordinance pursuant to  
6 paragraph (a) of subsection 1 of NRS 279.438 or subsection 4 of NRS 279.439  
7 and which receives revenue pursuant to paragraph (b) of subsection 1 of NRS  
8 279.676 from taxes on the taxable property located in the redevelopment area  
9 affected by the ordinance shall set aside not less than 18 percent of such revenue  
10 received on or after the effective date of the ordinance to improve and preserve  
11 existing public educational facilities which are located within the redevelopment  
12 area or which serve pupils who reside within the redevelopment area. The  
13 provisions of this subsection do not apply if such an agency is required pursuant to  
14 subsection 6 of NRS 279.676 to set aside not less than 18 percent of revenue  
15 received pursuant to paragraph (b) of subsection 1 of NRS 279.676 from taxes on  
16 the taxable property located in the redevelopment area affected by the ordinance  
17 adopted by the agency pursuant to subsection 5 of NRS 279.676 on or after the  
18 effective date of that ordinance to improve and preserve existing public educational  
19 facilities which are located within the redevelopment area or which serve pupils  
20 who reside within the redevelopment area. For each fiscal year, the agency shall  
21 prepare a written report concerning the amount of money expended for the purposes  
22 set forth in this subsection and shall, on or before November 30 of each year,  
23 submit a copy of the report to the Director of the Legislative Counsel Bureau for  
24 transmittal to the Legislative Commission, if the report is received during an odd-  
25 numbered year, or to the next session of the Legislature, if the report is received  
26 during an even-numbered year.

27       2. The obligation of an agency pursuant to subsection 1 to set aside not less  
28 than 18 percent of the revenue allocated to and received by the agency pursuant to  
29 paragraph (b) of subsection 1 of NRS 279.676 from taxes on the taxable property  
30 located in the redevelopment area affected by the ordinance adopted by the agency  
31 pursuant to paragraph (a) of subsection 1 of NRS 279.438 or subsection 4 of NRS  
32 279.439 is subordinate to any existing obligations of the agency. As used in this  
33 subsection, "existing obligations" means the principal and interest, when due, on  
34 any bonds, notes or other indebtedness whether funded, refunded, assumed or  
35 otherwise incurred by the agency before the effective date of the ordinance adopted  
36 by the agency pursuant to paragraph (a) of subsection 1 of NRS 279.438 or  
37 subsection 4 of NRS 279.439, to finance or refinance in whole or in part, the  
38 redevelopment of a redevelopment area. For the purposes of this subsection,  
39 obligations incurred by an agency on or after the effective date of the ordinance  
40 adopted by the agency pursuant to paragraph (a) of subsection 1 of NRS 279.438  
41 or subsection 4 of NRS 279.439 shall be deemed existing obligations if the net  
42 proceeds are used to refinance existing obligations of the agency.

43       Sec. 3. (Deleted by amendment.)

44       Sec. 3.5. The provisions of subsection 1 of NRS 218D.380 do not apply to  
45 any provision of this act which adds or revises a requirement to submit a  
46 report to the Legislature.

47       Sec. 4. This act becomes effective upon passage and approval.