

SENATE BILL NO. 465—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 25, 2019

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to redevelopment areas.
(BDR 22-1159)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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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; revising provisions governing the amount of the proceeds of certain taxes levied in a redevelopment area that must be allocated to the redevelopment agency and used for certain purposes related to redevelopment; 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, the property taxes levied on taxable property located in a redevelopment area that exceed a certain amount are required to be allocated to the redevelopment agency to pay certain costs related to redevelopment in the redevelopment area. (NRS 279.676) This bill authorizes a redevelopment agency to adopt a resolution requiring that property taxes attributable to certain tax rates levied for the public schools in the county be allocated to the county school district such that the redevelopment agency would not receive any portion of the property taxes attributable to such tax rates.

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

Section 1. 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



1 area each year by or for the benefit of the State, any city, county,
2 district or other public corporation, after the effective date of the
3 ordinance approving the redevelopment plan, must be divided as
4 follows:

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

28 (b) Except as otherwise provided in paragraphs (c) , ~~and~~ (d)
29 **and (e)** and NRS 540A.265, that portion of the levied taxes each
30 year in excess of the amount set forth in paragraph (a) must be
31 allocated to and when collected must be paid into a special fund of
32 the redevelopment agency to pay the costs of redevelopment and to
33 pay the principal of and interest on loans, money advanced to, or
34 indebtedness, whether funded, refunded, assumed, or otherwise,
35 incurred by the redevelopment agency to finance or refinance, in
36 whole or in part, redevelopment. Unless the total assessed valuation
37 of the taxable property in a redevelopment area exceeds the total
38 assessed value of the taxable property in the redevelopment area as
39 shown by:

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

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

44 ➤ whichever occurs later, less the assessed valuation of any exempt
45 property subtracted pursuant to paragraph (a), all of the taxes levied



1 and collected upon the taxable property in the redevelopment area
2 must be paid into the funds of the respective taxing agencies. When
3 the redevelopment plan is terminated pursuant to the provisions of
4 NRS 279.438 and 279.439 and all loans, advances and indebtedness,
5 if any, and interest thereon, have been paid, all money thereafter
6 received from taxes upon the taxable property in the redevelopment
7 area must be paid into the funds of the respective taxing agencies as
8 taxes on all other property are paid.

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

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

23 *(e) If an agency has adopted a resolution pursuant to*
24 *subsection 8, that portion of the taxes in excess of the amount set*
25 *forth in paragraph (a) that is attributable to a tax rate levied by a*
26 *taxing agency:*

27 *(1) Pursuant to NRS 387.3285 or 387.3287, if that rate was*
28 *approved by a majority of the registered voters within the area of*
29 *the taxing agency voting upon the question, must be allocated to,*
30 *and when collected paid into, the appropriate fund of that taxing*
31 *agency.*

32 *(2) For the support of public schools within a county school*
33 *district pursuant to NRS 387.195, must be allocated to, and when*
34 *collected paid into, the appropriate fund of that taxing 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



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



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

3 (a) Increase, improve, preserve or enhance public educational
4 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 18 percent of the revenue allocated to and received by the
20 agency pursuant to paragraph (b) of subsection 1 from taxes on
21 the taxable property located in the redevelopment area affected by
22 the ordinance adopted by the agency pursuant to subsection 5 is
23 subordinate to any existing obligations of the agency. As used in
24 this subsection, "existing obligations" means the principal and
25 interest, when due, on any bonds, notes or other indebtedness
26 whether funded, refunded, assumed or otherwise incurred by an
27 agency before the effective date of an ordinance adopted by the
28 agency pursuant to subsection 5, to finance or refinance in whole or
29 in part, the redevelopment of a redevelopment area. For the
30 purposes of this subsection, obligations incurred by an agency on or
31 after the effective date of an ordinance adopted by the agency
32 pursuant to subsection 5 shall be deemed existing obligations if the
33 net proceeds are used to refinance existing obligations of the
34 agency.

35 8. *An agency may adopt a resolution providing that the*
36 *portion of the taxes in excess of the amount set forth in paragraph*
37 *(a) of subsection 1 that is attributable to any tax rate levied by a*
38 *taxing agency:*

39 *(a) Pursuant to NRS 387.3285 or 387.3287, if that rate was*
40 *approved by a majority of the registered voters within the area of*
41 *the taxing agency voting upon the question, must be allocated to,*
42 *and when collected paid into, the appropriate fund of that taxing*
43 *agency.*



1 ***(b) For the support of public schools within a county school***
2 ***district pursuant to NRS 387.195, must be allocated to, and when***
3 ***collected paid into, the appropriate fund of that taxing agency.***

4 **Sec. 2.** The amendatory provisions of this act do not apply to
5 the extent that the provisions would constitute an impairment of the
6 rights of holders of bonds or similar obligations.

7 **Sec. 3.** This act becomes effective on July 1, 2019.

