

ASSEMBLY BILL NO. 445—COMMITTEE
ON GOVERNMENT AFFAIRS

MARCH 23, 2015

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to redevelopment.
(BDR 22-1100)

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; requiring a portion of the revenues from taxes imposed on property in certain redevelopment areas to be set aside and used for public educational facilities; revising provisions relating to the extension of certain redevelopment plans; revising provisions relating to the recalculation of the total assessed value of taxable property in certain redevelopment areas; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, a redevelopment plan, and any amendments to the plan,
2 adopted by the redevelopment agency of a city or county on or after January 1,
3 1991, terminates not later than 30 years after the date on which the original
4 redevelopment plan was adopted. (NRS 279.439) **Section 3** of this bill extends to a
5 maximum of 45 years the date of termination of such a redevelopment plan, and
6 any amendments to the plan, adopted by a city located in a county whose
7 population is 700,000 or more (currently Clark County) if the city council adopts
8 the extension of the plan by ordinance. If such an ordinance is adopted, **section 1** of
9 this bill requires that 18 percent of the revenues received from taxes on the taxable
10 property located in the redevelopment area affected by the ordinance on or after the
11 effective date of the ordinance be set aside to improve and preserve existing public
12 educational facilities which are located within the redevelopment area or which
13 serve pupils who reside within the redevelopment area. **Section 1** also provides that
14 the obligation to set aside such revenues is subordinate to any existing obligations
15 of the agency.

16 Under existing law, the date of termination of a redevelopment plan and any
17 amendments to the plan adopted before January 1, 1991, by a redevelopment
18 agency of a city whose population is 500,000 or more (currently the City of



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19 Las Vegas) is authorized to be extended by ordinance adopted by the city council of
20 that city from a maximum of 45 years to 60 years if the following conditions exist
21 on the date on which the extension is adopted: (1) the assessed value of each
22 redevelopment project in the redevelopment area is not less than the assessed value
23 of the redevelopment project in the year in which the redevelopment plan was
24 adopted; (2) the assessed value of the redevelopment area is not less than 75
25 percent of the assessed value of the redevelopment area in the year in which the
26 redevelopment plan was adopted; and (3) the agency has \$100 million or more in
27 total outstanding indebtedness represented by bonds and other securities. (NRS
28 279.438) **Section 2** of this bill changes the assessed value requirement in the first
29 condition from the basis of each individual redevelopment project to the aggregate
30 of redevelopment projects in the redevelopment area and eliminates the third
31 condition.

32 Under existing law, a redevelopment agency in a city located in a county whose
33 population is 700,000 or more (currently Clark County) is authorized to adopt, in
34 certain circumstances, an ordinance which provides for the recalculation of the total
35 assessed value of the taxable property in a redevelopment area for certain purposes.
36 If such a redevelopment agency adopts such an ordinance and receives certain
37 revenue from taxes, existing law requires that 18 percent of the revenue received on
38 or after the effective date of the ordinance be set aside to improve and preserve
39 existing public educational facilities which are located within the redevelopment
40 area or which serve pupils who reside within the redevelopment area. (NRS
41 279.676) **Section 3.5** of this bill revises the application of the recalculated assessed
42 value in the tax distribution formula for the redevelopment area and specifies that
43 the revenue received by the agency is from taxes on the taxable property located in
44 the redevelopment area affected by the ordinance that is adopted.

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

1 **Section 1.** Chapter 279 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. Except as otherwise provided in this section, an agency of*
4 *a city located in a county whose population is 700,000 or more*
5 *that adopts an ordinance pursuant to subsection 3 of NRS 279.439*
6 *and which receives revenue pursuant to paragraph (b) of*
7 *subsection 1 of NRS 279.676 from taxes on the taxable property*
8 *located in the redevelopment area affected by the ordinance shall*
9 *set aside not less than 18 percent of such revenue received on or*
10 *after the effective date of the ordinance to improve and preserve*
11 *existing public educational facilities which are located within the*
12 *redevelopment area or which serve pupils who reside within 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*



1 ordinance to improve and preserve existing public educational
2 facilities which are located within the redevelopment area or
3 which serve pupils who reside within the redevelopment area. For
4 each fiscal year, the agency shall prepare a written report
5 concerning the amount of money expended for the purposes set
6 forth in this subsection and shall, on or before November 30 of
7 each year, submit a copy of the report to the Director of the
8 Legislative Counsel Bureau for transmittal to the Legislative
9 Commission, if the report is received during an odd-numbered
10 year, or to the next session of the Legislature, if the report is
11 received during an even-numbered year.

12 2. The obligation of an agency pursuant to subsection 1 to set
13 aside not less than 18 percent of the revenue allocated to and
14 received by the agency pursuant to paragraph (b) of subsection 1
15 of NRS 279.676 from taxes on the taxable property located in the
16 redevelopment area affected by the ordinance adopted by the
17 agency pursuant to subsection 3 of NRS 279.439 is subordinate to
18 any existing obligations of the agency. As used in this subsection,
19 "existing obligations" means the principal and interest, when due,
20 on any bonds, notes or other indebtedness whether funded,
21 refunded, assumed or otherwise incurred by the agency before the
22 effective date of the ordinance adopted by the agency pursuant to
23 subsection 3 of NRS 279.439, to finance or refinance in whole or
24 in part, the redevelopment of a redevelopment area. For the
25 purposes of this subsection, obligations incurred by an agency on
26 or after the effective date of the ordinance adopted by the agency
27 pursuant to subsection 3 of NRS 279.439 shall be deemed existing
28 obligations if the net proceeds are used to refinance existing
29 obligations of the agency.

30 **Sec. 2.** NRS 279.438 is hereby amended to read as follows:

31 279.438 1. A redevelopment plan adopted before January 1,
32 1991, and any amendments to the plan must terminate at the end of
33 the fiscal year in which the principal and interest of the last
34 maturing of the securities issued before that date concerning the
35 redevelopment area are fully paid or:

36 (a) With respect to a redevelopment plan adopted by the agency
37 of a city whose population is 500,000 or more, if the requirements
38 set forth in subsection 2 are met, 60 years after the date on which the
39 original redevelopment plan was adopted, whichever is later.

40 (b) With respect to any other redevelopment plan, including a
41 redevelopment plan adopted by an agency of a city whose
42 population is 500,000 or more, if the requirements set forth in
43 subsection 2 are not met, 45 years after the date on which the
44 original redevelopment plan was adopted, whichever is later.



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

6 (a) The assessed value of ~~each~~ *the aggregate number of*
7 redevelopment ~~project~~ *projects* in the redevelopment area is not
8 less than the assessed value of the *aggregate number of*
9 redevelopment ~~project~~ *projects* in the year in which the
10 redevelopment plan was adopted; *and*

11 (b) The assessed value of the redevelopment area is not less than
12 75 percent of the assessed value of the redevelopment area in the
13 year in which the redevelopment plan was adopted. ~~and~~

14 ~~—(c) The agency has \$100 million or more in total outstanding~~
15 ~~indebtedness represented by bonds and other securities.~~

16 **Sec. 3.** NRS 279.439 is hereby amended to read as follows:
17 279.439 ~~A~~

18 *1. Except as otherwise provided in subsections 2 and 3, a*
19 *redevelopment plan adopted on or after January 1, 1991, and any*
20 *amendments to the plan must terminate not later than 30 years after*
21 *the date on which the original redevelopment plan is adopted.*

22 *2. A redevelopment plan, and any amendments to the plan,*
23 *adopted on or after January 1, 1991, by an agency of a city located*
24 *in a county whose population is 700,000 or more that meets the*
25 *requirement of subsection 3 must terminate not later than 45 years*
26 *after the date on which the original redevelopment plan is*
27 *adopted.*

28 *3. A redevelopment plan, and any amendments to the plan,*
29 *may terminate on the date prescribed by subsection 2 only if the*
30 *legislative body adopts an extension of the redevelopment plan by*
31 *ordinance.*

32 **Sec. 3.5.** NRS 279.676 is hereby amended to read as follows:
33 279.676 1. Any redevelopment plan may contain a provision

34 that taxes, if any, levied upon taxable property in the redevelopment
35 area each year by or for the benefit of the State, any city, county,
36 district or other public corporation, after the effective date of the
37 ordinance approving the redevelopment plan, must be divided as
38 follows:

39 (a) That portion of the taxes which would be produced by the
40 rate upon which the tax is levied each year by or for each of the
41 taxing agencies upon the total sum of the assessed value of
42 the taxable property in the redevelopment area as shown upon the
43 assessment roll used in connection with the taxation of the property
44 by the taxing agency, last equalized before the effective date of the
45 ordinance, must be allocated to and when collected must be paid



1 into the funds of the respective taxing agencies as taxes by or for
2 such taxing agencies on all other property are paid. To allocate taxes
3 levied by or for any taxing agency or agencies which did not include
4 the territory in a redevelopment area on the effective date of the
5 ordinance but to which the territory has been annexed or otherwise
6 included after the effective date, the assessment roll of the county
7 last equalized on the effective date of the ordinance must be used in
8 determining the assessed valuation of the taxable property in the
9 redevelopment area on the effective date. If property which was
10 shown on the assessment roll used to determine the amount of taxes
11 allocated to the taxing agencies is transferred to the State and
12 becomes exempt from taxation, the assessed valuation of the exempt
13 property as shown on the assessment roll last equalized before the
14 date on which the property was transferred to the State must be
15 subtracted from the assessed valuation used to determine the amount
16 of revenue allocated to the taxing agencies.

17 (b) Except as otherwise provided in paragraphs (c) and (d) and
18 NRS 540A.265, that portion of the levied taxes each year in excess
19 of the amount set forth in paragraph (a) must be allocated to and
20 when collected must be paid into a special fund of the
21 redevelopment agency to pay the costs of redevelopment and to pay
22 the principal of and interest on loans, money advanced to, or
23 indebtedness, whether funded, refunded, assumed, or otherwise,
24 incurred by the redevelopment agency to finance or refinance, in
25 whole or in part, redevelopment. Unless the total assessed valuation
26 of the taxable property in a redevelopment area exceeds the total
27 assessed value of the taxable property in the redevelopment area as
28 shown by:

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

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

33 ↪ whichever occurs later, less the assessed valuation of any exempt
34 property subtracted pursuant to paragraph (a), all of the taxes levied
35 and collected upon the taxable property in the redevelopment area
36 must be paid into the funds of the respective taxing agencies. When
37 the redevelopment plan is terminated pursuant to the provisions of
38 NRS 279.438 and 279.439 and all loans, advances and indebtedness,
39 if any, and interest thereon, have been paid, all money thereafter
40 received from taxes upon the taxable property in the redevelopment
41 area must be paid into the funds of the respective taxing agencies as
42 taxes on all other property are paid.

43 (c) That portion of the taxes in excess of the amount set forth in
44 paragraph (a) that is attributable to a tax rate levied by a taxing
45 agency to produce revenues in an amount sufficient to make annual



1 repayments of the principal of, and the interest on, any bonded
2 indebtedness that was approved by the voters of the taxing agency
3 on or after November 5, 1996, must be allocated to and when
4 collected must be paid into the debt service fund of that taxing
5 agency.

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

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

15 (a) In a county whose population is 100,000 or more or a city
16 whose population is 150,000 or more, an amount equal to the
17 combined tax rates of the taxing agencies for that fiscal year
18 multiplied by 10 percent of the total assessed valuation of the
19 municipality.

20 (b) In a county whose population is 30,000 or more but less than
21 100,000 or a city whose population is 25,000 or more but less than
22 150,000, an amount equal to the combined tax rates of the taxing
23 agencies for that fiscal year multiplied by 15 percent of the total
24 assessed valuation of the municipality.

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

30 ➤ If the revenue paid to a redevelopment agency must be limited
31 pursuant to paragraph (a), (b) or (c) and the redevelopment agency
32 has more than one redevelopment area, the redevelopment agency
33 shall determine the allocation to each area. Any revenue which
34 would be allocated to a redevelopment agency but for the provisions
35 of this section must be paid into the funds of the respective taxing
36 agencies.

37 3. The taxing agencies shall continue to pay to a
38 redevelopment agency any amount which was being paid before
39 July 1, 1987, and in anticipation of which the agency became
40 obligated before July 1, 1987, to repay any bond, loan, money
41 advanced or any other indebtedness, whether funded, refunded,
42 assumed or otherwise incurred.

43 4. For the purposes of this section, the assessment roll last
44 equalized before the effective date of the ordinance approving the



1 redevelopment plan is the assessment roll in existence on March 15
2 immediately preceding the effective date of the ordinance.

3 5. If in any year the assessed value of the taxable property in a
4 redevelopment area located in a city in a county whose population is
5 700,000 or more as shown by the assessment roll most recently
6 equalized has decreased by 10 percent or more from the assessed
7 value of the taxable property in the redevelopment area as shown by
8 the assessment roll last equalized before the effective date of the
9 ordinance approving the redevelopment plan, the redevelopment
10 agency may adopt an ordinance which provides that the total
11 assessed value of the taxable property in the redevelopment area for
12 the purposes of ~~paragraph~~ *paragraphs (a) and (b)* of subsection 1
13 is the total assessed value of the taxable property in the
14 redevelopment area as shown by the assessment roll last equalized
15 before the effective date of the ordinance adopted pursuant to this
16 subsection. A redevelopment agency may adopt an ordinance
17 pursuant to this subsection only once, and the election to adopt such
18 an ordinance is irrevocable.

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

35 7. The obligation of an agency pursuant to subsection 6 to set
36 aside not less than 18 percent of the revenue ~~from taxes~~ allocated
37 to and received by the agency pursuant to paragraph (b) of
38 subsection 1 *from taxes on the taxable property located in the*
39 *redevelopment area affected by the ordinance adopted by the*
40 *agency pursuant to subsection 5* is subordinate to any existing
41 obligations of the agency. As used in this subsection, "existing
42 obligations" means the principal and interest, when due, on any
43 bonds, notes or other indebtedness whether funded, refunded,
44 assumed or otherwise incurred by an agency before the
45 effective date of an ordinance adopted by the agency pursuant to



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

7 **Sec. 4.** NRS 279.680 is hereby amended to read as follows:

8 279.680 Except as otherwise provided in NRS 279.685 ~~†~~ *and*
9 *section 1 of this act*, in any redevelopment plan, or in the
10 proceedings for the advance of money, or the making of loans, or
11 the incurring of any indebtedness, whether funded, refunded,
12 assumed or otherwise, by the redevelopment agency to finance or
13 refinance, in whole or in part, the redevelopment project, the portion
14 of taxes mentioned in paragraph (b) of subsection 1 of NRS 279.676
15 may be irrevocably pledged for the payment of the principal of and
16 interest on those loans, advances or indebtedness.

17 **Sec. 5.** NRS 279.687 is hereby amended to read as follows:

18 279.687 A school district shall not use any money received
19 pursuant to subparagraph (2) of paragraph (b) of subsection 1 of
20 NRS 279.685 , ~~for~~ paragraph (c) of subsection 1 of NRS 279.685
21 *or section 1 of this act* to reduce or supplant the amount of any
22 money which the school district would otherwise expend for the
23 purposes described in subparagraph (2) of paragraph (b) of
24 subsection 1 of NRS 279.685 , ~~and~~ paragraph (c) of subsection 1
25 of NRS 279.685 ~~†~~ *and section 1 of this act*, respectively.

26 **Sec. 6.** The provisions of subsection 1 of NRS 218D.380 do
27 not apply to the reporting requirements of section 1 of this act.

28 **Sec. 7.** This act becomes effective on July 1, 2015.

