

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 whose population is 220,000 or
7 more but less than 500,000 located in a county whose population is 700,000 or
8 more (currently the City of Henderson) if the city council adopts the extension of
9 the plan by ordinance. If such an ordinance is adopted, **section 1** of this bill requires
10 that 18 percent of the revenues received from taxes on the taxable property located
11 in the redevelopment area affected by the ordinance on or after the effective date of
12 the ordinance be set aside to improve and preserve existing public educational
13 facilities which are located within the redevelopment area or which serve pupils
14 who reside within the redevelopment area. **Section 1** also provides that the
15 obligation to set aside such revenues is subordinate to any existing obligations of
16 the agency.

17 Under existing law, the date of termination of a redevelopment plan and any
18 amendments to the plan adopted before January 1, 1991, by a redevelopment



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19 agency of a city whose population is 500,000 or more (currently the City of Las
20 Vegas) is authorized to be extended by ordinance adopted by the city council of
21 that city from a maximum of 45 years to 60 years if the following conditions exist
22 on the date on which the extension is adopted: (1) the assessed value of each
23 redevelopment project in the redevelopment area is not less than the assessed value
24 of the redevelopment project in the year in which the redevelopment plan was
25 adopted; (2) the assessed value of the redevelopment area is not less than 75
26 percent of the assessed value of the redevelopment area in the year in which the
27 redevelopment plan was adopted; and (3) the agency has \$100 million or more in
28 total outstanding indebtedness represented by bonds and other securities. (NRS
29 279.438) **Section 2** of this bill changes the assessed value requirement in the first
30 condition from the basis of each individual redevelopment project to the aggregate
31 of redevelopment projects in the redevelopment area and eliminates the third
32 condition.

33 Under existing law, a redevelopment agency in a city located in a county whose
34 population is 700,000 or more (currently Clark County) is authorized to adopt, in
35 certain circumstances, an ordinance which provides for the recalculation of the total
36 assessed value of the taxable property in a redevelopment area for certain purposes.
37 If such a redevelopment agency adopts such an ordinance and receives certain
38 revenue from taxes, existing law requires that 18 percent of the revenue received on
39 or after the effective date of the ordinance be set aside to improve and preserve
40 existing public educational facilities which are located within the redevelopment
41 area or which serve pupils who reside within the redevelopment area. (NRS
42 279.676) **Section 3.5** of this bill revises the application of the recalculated assessed
43 value in the tax distribution formula for the redevelopment area and specifies that
44 the revenue received by the agency is from taxes on the taxable property located in
45 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 whose population is 220,000 or more but less than 500,000*
5 *located in a county whose population is 700,000 or more that*
6 *adopts an ordinance pursuant to subsection 3 of NRS 279.439 and*
7 *which receives revenue pursuant to paragraph (b) of subsection 1*
8 *of NRS 279.676 from taxes on the taxable property located in the*
9 *redevelopment area affected by the ordinance shall set aside not*
10 *less than 18 percent of such revenue received on or after the*
11 *effective date of the ordinance to improve and preserve existing*
12 *public educational facilities which are located within the*
13 *redevelopment area or which serve pupils who reside within the*
14 *redevelopment area. The provisions of this subsection do not apply*
15 *if such an agency is required pursuant to subsection 6 of NRS*
16 *279.676 to set aside not less than 18 percent of revenue received*
17 *pursuant to paragraph (b) of subsection 1 of NRS 279.676 from*
18 *taxes on the taxable property located in the redevelopment area*



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1 *affected by the ordinance adopted by the agency pursuant to*
2 *subsection 5 of NRS 279.676 on or after the effective date of that*
3 *ordinance to improve and preserve existing public educational*
4 *facilities which are located within the redevelopment area or*
5 *which serve pupils who reside within the redevelopment area. For*
6 *each fiscal year, the agency shall prepare a written report*
7 *concerning the amount of money expended for the purposes set*
8 *forth in this subsection and shall, on or before November 30 of*
9 *each year, submit a copy of the report to the Director of the*
10 *Legislative Counsel Bureau for transmittal to the Legislative*
11 *Commission, if the report is received during an odd-numbered*
12 *year, or to the next session of the Legislature, if the report is*
13 *received during an even-numbered year.*

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

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

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

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

42 (b) With respect to any other redevelopment plan, including a
43 redevelopment plan adopted by an agency of a city whose
44 population is 500,000 or more, if the requirements set forth in



1 subsection 2 are not met, 45 years after the date on which the
2 original redevelopment plan was adopted, whichever is later.

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

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

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

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

18 **Sec. 3.** NRS 279.439 is hereby amended to read as follows:

19 279.439 ~~A~~

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

24 2. *A redevelopment plan, and any amendments to the plan,*
25 *adopted on or after January 1, 1991, by an agency of a city whose*
26 *population is 220,000 or more but less than 500,000 located in a*
27 *county whose population is 700,000 or more that meets the*
28 *requirement of subsection 3 must terminate not later than 45 years*
29 *after the date on which the original redevelopment plan is*
30 *adopted.*

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

35 **Sec. 3.5.** NRS 279.676 is hereby amended to read as follows:

36 279.676 1. Any redevelopment plan may contain a provision
37 that taxes, if any, levied upon taxable property in the redevelopment
38 area each year by or for the benefit of the State, any city, county,
39 district or other public corporation, after the effective date of the
40 ordinance approving the redevelopment plan, must be divided as
41 follows:

42 (a) That portion of the taxes which would be produced by the
43 rate upon which the tax is levied each year by or for each of the
44 taxing agencies upon the total sum of the assessed value of
45 the taxable property in the redevelopment area as shown upon the



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

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

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

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

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



1 (c) That portion of the taxes in excess of the amount set forth in
2 paragraph (a) that is attributable to a tax rate levied by a taxing
3 agency to produce revenues in an amount sufficient to make annual
4 repayments of the principal of, and the interest on, any bonded
5 indebtedness that was approved by the voters of the taxing agency
6 on or after November 5, 1996, must be allocated to and when
7 collected must be paid into the debt service fund of that taxing
8 agency.

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

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

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

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

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

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

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



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

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

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

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



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

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

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

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

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

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

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

