

Amendment No. 249

Senate Amendment to Senate Bill No. 283	(BDR 22-792)
<b>Proposed by:</b> Senate Committee on Government Affairs	
<b>Amends:</b> Summary: No Title: No 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.





## SENATE BILL NO. 283—SENATOR BROOKS

MARCH 22, 2021

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to local improvements. (BDR 22-792)

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 local improvements; authorizing a municipality to create a district for certain qualified improvement projects; setting forth the requirements for creating such a district; authorizing certain financing to pay for a qualified improvement project in such a district; making various other changes relating to local improvements; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law sets forth the procedures for the governing body of a municipality to create a district to finance certain energy efficiency improvement projects and renewable energy projects. (NRS 271.6312-271.6325) This bill revises these procedures.

**Section 15** of this bill authorizes the governing body of a municipality to create a district ~~for~~ **to finance or refinance** one of more qualified improvement projects. **Section 6** of this bill defines a qualified improvement project as an energy efficiency improvement project, a renewable energy project, a resiliency project and a water efficiency improvement project. **Sections 4 and 7-9** of this bill, respectively, define the terms “energy efficiency improvement project,” “renewable energy project,” “resiliency project” and a “water efficiency improvement project.”

**Section 16** of this bill provides that the governing body may create a district only under certain circumstances, including if: (1) the governing body makes a finding that the creation of the district serves certain public purposes; **and** (2) the governing body adopts by resolution certain procedures for the creation and administration of the district. ~~and (3)~~ **Section 11 of this bill requires that** each owner of ~~each~~ a tract on which a qualified improvement project will be located **enter into a voluntary assessment agreement in which the owner** consents in writing to the location of the project on the tract, the levy of an assessment against the tract to pay the financing set forth in the financing agreement and the placement of a lien on the property. ~~Section~~ **Sections 5 and 5.5** of this bill ~~defines~~ **respectively, define** the ~~term~~ **terms** “financing agreement ~~and~~” **and “property owner.”**

**Section 12** of this bill provides that ~~the~~ **a lien must be filed** on the tract ~~must be filed by a capital provider~~ and sets forth the priority of such a lien.

**Section 17** of this bill provides that: (1) construction of a qualified improvement project must be completed through independent contracts with contractors licensed in Nevada; (2) the municipality is not responsible for the construction or any delays or defects; and (3) the laws relating to public bidding, public works or public procurement are not applicable to the construction of a qualified improvement project.

**Section 18** of this bill ~~requires that~~ **sets forth certain requirements for** the resolution that specifies the procedures for the creation and administration of a district. ~~include the~~

approval of a program guide that, without limitation: (1) sets forth the forms for certain agreements; (2) prohibits any financing agreement which exceeds the useful life of the qualified improvement; (3) describes the application and eligibility requirements for real property to be included in the district; and (4) describes the requirements to be a capital provider.]

**Section 10** of this bill requires, with certain exceptions, that a qualified improvement project be financed **or refinanced** only through an assessment on the real property. ~~[Section 14 of this bill makes a conforming change to existing provisions relating to a district.]~~ **Section 11 of this bill** provides that while the governing body ~~[must approve the amount of]~~ **imposes** the assessment, the capital provider is solely responsible for the billing, collection and enforcement of the assessment. **Section 3** of this bill defines the term “capital provider.”

**Section 12** of this bill requires the ~~[capital provider]~~ **municipality** to record a **notice of assessment and assessment** lien on the real property and sets forth the priority of such a lien.

**Section 13** of this bill authorizes, under certain circumstances, a person who is leasing real property within a district to enter into a financing agreement with a capital provider for a qualified improvement project.

**Section 13.5 of this bill provides that: (1) a municipality and its governing body, officers and employees shall not be liable for any actions taken pursuant to existing law providing for the creation of a district and sections 2-13.5 of this bill, except in cases of gross negligence, recklessness or willful misconduct; (2) a municipality shall not use public funds to fund an assessment imposed on a property owner to repay direct financing, nor pledge the full faith and credit of a local government for such purposes; and (3) a municipality that establishes a qualified improvement district may impose a fee to recover the actual administrative costs from participating property owners.**

**Section 19** of this bill provides that the governing body of a municipality that created a district pursuant to NRS 271.6312 to 271.6325, inclusive, before October 1, 2021, may use the provisions of this bill in the district but that this bill does not affect any financing, billing, collection or enforcement of financing of any existing project in the district.

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

**Section 1.** Chapter 271 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to ~~[13.]~~ **13.5**, inclusive, of this act.

**Sec. 2.** *As used in NRS 271.6312 to 271.6325, inclusive, and sections 2 to ~~[13.]~~ 13.5, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 9, inclusive, of this act have the meanings ascribed to them in those sections.*

**Sec. 3.** *“Capital provider” means any private entity or the designee, successor or assign of the private entity that provides financing **or refinancing** for a qualified improvement project pursuant to the provisions of NRS 271.6312 to 271.6325, inclusive, and sections 2 to ~~[13.]~~ 13.5, inclusive, of this act.*

**Sec. 4.** *“Energy efficiency improvement project” means the installation or modification of one or more energy efficiency improvements that decrease or support the decrease of energy consumption or demand for energy through the use of efficiency technologies, products or activities and incidentals which are necessary, useful or desirable for any such improvements and which installation or modification has a useful life of not less than 10 years.*

**Sec. 5.** *“Financing agreement” means the contract pursuant to which a property owner or lessee, as applicable, agrees to repay the capital provider for financing or refinancing a qualified improvement project, including, without limitation, any finance charges, fees, debt servicing, interest, penalties and any other provision relating to the treatment of prepayment or partial payment,*

1 *billing, collection and enforcement of the assessment and lien securing the*  
 2 *financing.*

3 *Sec. 5.5. “Property owner” means the owner of record of the tract on*  
 4 *which a qualified improvement project is installed.*

5 *Sec. 6. “Qualified improvement project” means one or more of the*  
 6 *following projects, installed in an existing structure or in new construction,*  
 7 *performed pursuant to NRS 271.6312 to 271.6325, inclusive, and sections 2 to*  
 8 *~~13.1~~ 13.5, inclusive, of this act:*

- 9 1. *Energy efficiency improvement project.*
- 10 2. *Renewable energy project.*
- 11 3. *Resiliency project.*
- 12 4. *Water efficiency improvement project.*

13 *Sec. 7. “Renewable energy project” means any improvement to real*  
 14 *property, and facilities and equipment used to generate electricity from renewable*  
 15 *energy to offset customer load in whole or in part on the real property, or to*  
 16 *support the production of renewable energy including, without limitation, micro-*  
 17 *grids, energy storage and any other device or interacting group of products or*  
 18 *devices on the customer’s side of the meter that generates electricity or provides*  
 19 *thermal energy, and all appurtenances and incidentals necessary, useful or*  
 20 *desirable for any such improvements, facilities and equipment, and which*  
 21 *improvement has a useful life of not less than 10 years.*

22 *Sec. 8. “Resiliency project” means ~~an~~ a qualified improvement to real*  
 23 *property, facilities or equipment with a useful life of not less than 10 years that*  
 24 *~~increases~~ :*

- 25 1. *Increases a building’s ~~seismic~~ structural resiliency, indoor air quality,*  
 26 *wind resistance or fire resistance and which improvement has a useful life of not*  
 27 *less than 10 years, for seismic events;*
- 28 2. *Improves indoor air quality;*
- 29 3. *Improves wind and fire resistance;*
- 30 4. *Improves stormwater quality or reduces on-site or off-site risk of flash*  
 31 *flooding;*
- 32 5. *Improves or enhances the ability of a building to withstand an electrical*  
 33 *outage;*
- 34 6. *Reduces or mitigates the urban heat island effect or the effects of*  
 35 *extreme heat;*
- 36 7. *Reduces any other environmental hazard identified by a municipality; or*
- 37 8. *Enhances the surrounding environment in which the real property is*  
 38 *located.*

39 *Sec. 9. “Water efficiency improvement project” means an improvement to*  
 40 *real property that is designed to reduce the water consumption of the real*  
 41 *property.*

42 *Sec. 10. 1. Except as otherwise provided in this section, a qualified*  
 43 *improvement project must be financed or refinanced only through an assessment*  
 44 *on the real property.*

45 2. *In addition to, but not in lieu of ~~an assessment,~~ direct financing from a*  
 46 *capital provider, the governing body may issue bonds and warrants to pay a*  
 47 *portion of a qualified improvement project but any such bonds or warrants:*

48 (a) *Shall not constitute the debt or indebtedness of the municipality within*  
 49 *the meaning of any provision or limitation of the Constitution of the State of*  
 50 *Nevada or statute; ~~and~~*

51 (b) *Shall not be secured by a pledge of the general credit or taxing power of*  
 52 *the municipality or by the surplus and deficiency fund established pursuant to*  
 53 *NRS 271.428 ~~;~~ ; and*

1 (c) Shall not be used in furtherance of or in support of direct financing from  
 2 a capital provider.

3 Sec. 11. 1. ~~[While the governing body must approve the amount of the]~~ In  
 4 order to impose an assessment for a qualified improvement project, the  
 5 municipality must enter into a voluntary written assessment agreement with a  
 6 property owner whereby the property owner consents in writing that an  
 7 assessment ~~[that]~~ will be imposed on ~~[a property owner by ordinance,]~~ the real  
 8 property to repay the capital provider for the qualified improvement project and  
 9 an assessment lien will be placed on the real property. Each voluntary assessment  
 10 agreement must describe the tract to be assessed and the qualified improvements  
 11 included in the qualified improvement project that are financed or refinanced by  
 12 the capital provider.

13 2. Each voluntary assessment agreement and any amendment, thereto, must  
 14 be recorded in the office of the county recorder and, once recorded, is binding on  
 15 the owner who signed the voluntary assessment agreement and any other person  
 16 who holds any interest in the tract to which the voluntary assessment agreement  
 17 relates.

18 3. A municipality must assign the assessment and assessment lien to the  
 19 capital provider . The capital provider is solely responsible for the billing,  
 20 collection and the enforcement of an assessment imposed on real property  
 21 pursuant to NRS 271.6312 to 271.6325, inclusive, and sections 2 to ~~[13,]~~ 13.5,  
 22 inclusive, of this act.

23 ~~[2.]~~ 4. Delinquent payment of an assessment will result in the interest and  
 24 penalties set forth in the financing agreement. ~~[between the capital provider and~~  
 25 ~~the owner of real property.~~

26 ~~— 3.]~~ 5. Enforcement of a delinquent payment shall be by judicial foreclosure  
 27 in the manner of a mortgage. ~~for deed of trust.~~

28 ~~— 4.]~~ 6. Assessments not yet due must not be accelerated or eliminated by  
 29 foreclosure. In the event of foreclosure, any outstanding or delinquent  
 30 assessments must be satisfied along with the payment of any delinquent ad  
 31 valorem taxes.

32 Sec. 12. 1. A ~~[capital provider]~~ municipality shall execute and record a  
 33 notice of assessment and assessment lien on the real property on which an  
 34 assessment is imposed pursuant to the provisions of NRS 271.6312 to 271.6325,  
 35 inclusive, and sections 2 to ~~[13,]~~ 13.5, inclusive, of this act. The notice of  
 36 assessment and assessment lien must include, without limitation:

37 (a) The legal description of the real property;

38 (b) The name of each property owner;

39 (c) The date on which the lien was created;

40 (d) The principal amount of the lien;

41 (e) The terms and length of the lien; and

42 (f) A copy of the voluntary assessment agreement entered into between the  
 43 municipality and the property owner pursuant to section 11 of this act.

44 2. ~~[A lien placed upon real property by a capital provider for a qualified~~  
 45 ~~improvement project.] Notwithstanding the provisions of any other statute to the~~  
 46 ~~contrary, an assessment and assessment lien:~~

47 (a) Is ~~[a first and prior]~~ coequal with the latest lien ~~[on the real property on~~  
 48 ~~which the assessment is imposed for a qualified improvement project, effective on~~  
 49 ~~the date on which the notice of assessment is recorded by the capital provider~~  
 50 ~~until the time that all terms of the financing agreement have been satisfied,]~~  
 51 thereon to secure the payment of general taxes.

52 (b) ~~[Has the same priority as a lien for ad valorem taxes.~~

~~1 (c) Runs with the land and [any portion of the assessment that is due  
2 pursuant to the terms of the financing agreement must not be accelerated or  
3 eliminated by foreclosure of a lien for ad valorem taxes.~~

~~4 (d) Must not be contested after the lien is recorded pursuant to this section  
5 on the basis that the project is not a qualified improvement project or for any  
6 procedural or substantive irregularity related to financing.] is not subject to  
7 acceleration or extinguishment by the sale of any property on account of the  
8 nonpayment of general taxes.~~

~~9 (c) Is prior and superior to all liens, claims, encumbrances and titles other  
10 than the liens of assessments and general taxes attached to the tract pursuant to  
11 the provisions of NRS 361.450.~~

~~12 Sec. 13. ~~13~~ A person that is leasing real property within a district created  
13 pursuant to NRS 271.6312 to 271.6325, inclusive, and sections 2 to ~~13~~ 13.5,  
14 inclusive, of this act may enter into a financing agreement with a capital provider  
15 for a qualified improvement project if the owner of the real property ~~consents in  
16 writing to the improvements or installations that will be made to the real property  
17 as part of the qualified improvement project. Any such consent must be recorded  
18 with the other information required to be recorded pursuant to NRS 271.6312 to  
19 271.6325, inclusive, and sections 2 to 13, inclusive, of this act.~~~~

~~20 2. If a person that is leasing real property within a district enters into a  
21 financing agreement with a capital provider for a qualified improvement project,  
22 the person will own the improvements or installation and be financially  
23 responsible and liable for assessments on the tract regardless of whether the lease  
24 terminates before the end of the term of assessment.] enters into a voluntary  
25 written assessment agreement with the municipality pursuant to section 11 of this  
26 act.~~

~~27 Sec. 13.5. 1. A municipality, its governing body, its officers and its  
28 employees shall not be liable for actions taken pursuant to NRS 271.6312 to  
29 271.6325, inclusive, and sections 2 to 13.5, inclusive, of this act, except in cases  
30 of gross negligence, recklessness or willful misconduct.~~

~~31 2. A municipality shall not use any public funds to pay an assessment  
32 imposed to repay direct financing between a capital provider and a property  
33 owner, nor pledge the full faith and credit of the municipality for such purposes.~~

~~34 3. A municipality that establishes a district pursuant to NRS 271.6312 to  
35 271.6325, inclusive, and sections 2 to 13.5, inclusive, of this act, may impose a fee  
36 to a property owner that enters into a voluntary assessment agreement pursuant  
37 to section 11 of this act to recover the reasonable and actual costs of  
38 administration and the performance of its duties pursuant to NRS 271.6312 to  
39 271.6325, inclusive, and sections 2 to 13.5, inclusive, of this act.~~

~~40 Sec. 14. NRS 271.385 is hereby amended to read as follows:~~

~~41 271.385 1. At the time and place designated pursuant to NRS 271.380, the  
42 governing body shall hear and determine any written complaint, protest or objection  
43 filed as provided in that section and any verbal views expressed in respect to the  
44 proposed assessments, assessment roll or assessment procedure. The governing  
45 body may adjourn the hearing from time to time.~~

~~46 2. The governing body, by resolution, may revise, correct, confirm or set  
47 aside any assessment and order that the assessment be made de novo.~~

~~48 3. Any complaint, protest or objection to:~~

~~49 (a) The assessment roll;~~

~~50 (b) The regularity, validity and correctness of each assessment;~~

~~51 (c) The amount of each assessment; or~~

(d) The regularity, validity and correctness of any other proceedings occurring after the date of the hearing described in NRS 271.310 and before the date of the hearing governed by this section,

➤ shall be deemed waived unless filed in writing within the time and in the manner provided by NRS 271.380.

~~4. If any owner of a tract which is assessed for the purpose of creating a district pursuant to NRS 271.6312 objects in writing within the time and in the manner provided by NRS 271.380, the tract must be removed from the assessment roll, and the municipality shall not finance the project located on the tract unless the objecting owner withdraws his or her objection in writing within the time specified by the governing body.}}~~

**Sec. 15.** NRS 271.6312 is hereby amended to read as follows:

271.6312 1. The governing body of a municipality, on behalf of the municipality and in its name, without an election, may create a district to finance ~~for~~ or refinance one or more ~~[energy efficiency improvement projects or renewable energy]~~ qualified improvement projects:

(a) On qualifying commercial or industrial real property, which may include any real property other than:

(1) A residential dwelling that contains fewer than five individual dwelling units; or

(2) Property financed by a government-guaranteed financing program that prohibits the subordination of the government's interest in the property or otherwise prohibits a contract under NRS 271.6312 to 271.6325, inclusive ~~{,}~~, and sections 2 to ~~13,~~ 13.5, inclusive, of this act.

(b) That meet one of the following requirements:

(1) For an energy efficiency improvement project, the project must be determined to meet the definition of an energy efficiency improvement project set forth in ~~[NRS 271.000] section 4 of this act and~~ be ~~[appropriate through]~~ supported by an energy audit conducted by a qualified service company. ~~[A project may be determined to be appropriate if:~~

~~(I) The energy audit includes a summary of recommendations, which for each recommendation must include existing and expected consumption and expected energy savings expressed in British thermal units, kilowatt hours, and kilowatts, the expected annual energy savings, the cost, the payback period in years, the expected life cycle in years and the percentage of savings, as applicable; and~~

~~(II) The expected energy savings from the project exceeds the investment costs of the project.]~~ that includes, without limitation, a written energy analysis of the project.

(2) For a renewable energy project, the project must ~~[be determined to be feasible through a written feasibility study conducted and meets]~~ meet the definition of a renewable energy project set forth in ~~[NRS 271.199] section 7 of this act, as determined~~ by a qualified service company. The determination of the qualified service company must be supported by a written feasibility study.

(3) ~~For a resiliency project, the project must be determined to meet the definition of a resiliency project set forth in section 8 of this act by a licensed professional in the field of the resiliency project that is approved by the municipality [in the program guide created]~~ pursuant to NRS 271.6325.

(4) ~~For a water efficiency project, the project must be determined to meet the definition of a water efficiency project set forth in section 9 of this act by a qualified service company.~~ The determination of the qualified service company must be based on a written analysis of the project.

2. ~~[A bond or interim warrant issued for a district created pursuant to this section must not be secured by a pledge of the general credit or taxing power of the~~



~~municipality or by the surplus and deficiency fund established pursuant to NRS 271.428.] **Subject to the provisions of subsection 2 of NRS 271.6315, a district created pursuant to subsection 1 may comprise the entire jurisdictional boundaries of the municipality or any portion or individual tract, thereof.**~~

~~3. The improvements to or installations within a district created pursuant to this section must not be owned by a municipality but shall be ~~deemed to be~~ the property of the owner of the tract upon which the improvement or installation is located.~~

~~4. ~~3.7~~ The provisions of:~~

(a) NRS 271.275 to 271.365, inclusive, **and 271.367 to 271.472, inclusive,** do not apply to a district which is created pursuant to this section.

(b) NRS 271.495 and 271.500 do not apply to any bonds or interim warrants issued to finance ~~an energy efficiency improvement project or renewable energy] a~~ **qualified improvement** project within a district created pursuant to this section.

~~5. ~~4.7~~ As used in this section:~~

(a) "Energy audit" means a formal evaluation of the energy consumption of a permanent building or any structural improvement to real property that is consistent with the requirements of ASTM International Standard E2797, "Standard Practice for Building Energy Performance Assessment for a Building Involved in a Real Estate Transaction," the ASHRAE Level 2 or 3 guidelines for energy audits or any comparable energy assessment guidelines.

(b) "Qualified service company" has the meaning ascribed to it in NRS 333A.060.

**Sec. 16.** NRS 271.6315 is hereby amended to read as follows:

271.6315 1. A governing body may create a district pursuant to NRS 271.6312 only if:

(a) **The governing body makes a finding that the creation of the district serves the public purposes of resource conservation, reducing emissions or increasing the resiliency of the community.**

(b) The governing body has, pursuant to NRS 271.6325, adopted by resolution a procedure for the creation and administration of a district for the purpose of financing **or refinancing** one or more ~~energy efficiency improvement projects or renewable energy] qualified improvement~~ projects.

~~[(b) - (c) Each]~~

**2. The governing body shall not include a tract within the boundaries of the district unless:**

(a) ~~The owner of ~~each~~ the tract on which ~~an energy efficiency improvement project or renewable energy] a qualified improvement~~ project will be located ~~consents in writing to the location of the project on the tract, and] enters into a voluntary assessment agreement pursuant to section 11 of this act agreeing to~~ the levy of an assessment against the tract to pay ~~all or a portion of the cost thereof in an amount up to the estimated maximum benefit to the tract from the installation or improvement. The estimated maximum benefit may not exceed the market value of the tract as determined by the governing body.~~~~

~~(e)] the amount of financing or refinancing set forth in the financing agreement and the placement of ~~an~~ an assessment lien on the property pursuant to the provisions of section 12 of this act.~~

~~[(d) Each consent provided pursuant to paragraph (b):~~

~~(1) Describes] [(e) describes the tract to be assessed and the improvements to be financed -;~~

~~(2) States the estimated maximum benefit that the owner agrees will be conferred on the tract by virtue of the installation or improvement; and~~

~~(3) Is accompanied by:~~

~~(I) A signed copy of each contract between an owner of the tract and each contractor described in NRS 271.6321 pursuant to which the contractor agrees to construct, acquire and install the installation or improvement identified in the consent at a total price which does not exceed the limitation set forth in NRS 271.6321 and which contains any terms, including, without limitation, application fees and costs, the total amount financed, annual percentage rate, total amount paid over the life of any assessment, any appraisal fees, bond related costs, annual administrative fees, closing costs, credit reporting fees and recording fees, and such other terms not inconsistent with the provisions of NRS 271.6312 to 271.6325, inclusive, or with the resolution adopted pursuant to NRS 271.6325, as may be agreed upon by the owner of the tract and the contractor and is acceptable to the governing body; and~~

~~(II) A deposit in an amount determined in the manner specified in the resolution adopted pursuant to NRS 271.6325, which may be refunded if the project to which the consent relates is completed and is financed with assessments levied pursuant to this chapter within the period specified in the resolution.~~

~~(d) ~~(e)~~~~

(b) The amount of the assessment lien that will be placed on the tract for a qualified improvement project, if used for improving or retrofitting an existing structure, does not exceed 25 percent of the fair market value of the property assessed, as determined by a certified appraiser pursuant to guidelines adopted pursuant to NRS 271.6325.

(c) The amount of the assessment lien that will be placed on the tract for a qualified improvement project, if used for new construction or a gut rehabilitation, does not exceed 35 percent of the fair market value of the property assessed, as determined by a certified appraiser pursuant to guidelines adopted pursuant to NRS 271.6325.

~~(d) The outstanding amount owed on all recorded instruments which are liens against ~~[any] the tract [included in the district, does]~~ including the assessment lien for the qualified improvement project, will not exceed 90 percent of the estimated fair market value of the property assessed ~~[, as defined by the governing body,] [taking into account the imposition of the liens for assessments pursuant to NRS 271.6312 to 271.6325, inclusive, and sections 2 to 13, inclusive, of this act and the additional value added to the tract by a ~~the qualified improvement project financed pursuant to NRS 271.6312 to 271.6325, inclusive, , and sections 2 to 13, inclusive, of this act.~~~~~~

~~(e) ~~(f)~~~~, as determined by a certified appraiser pursuant to guidelines adopted pursuant to NRS 271.6325.

~~(e) Any lender who holds a lien on ~~[any] the~~ tract on which ~~[an energy efficiency] the qualified~~ improvement project ~~[for renewable energy project]~~ will be located consents in writing to the levy of an assessment and assessment lien against the tract to ~~[pay all or a portion of the cost of the installation or improvement.] secure repayment of the financing or refinancing of the qualified improvement project.~~ A consent signed pursuant to this paragraph must be in a recordable form and is binding on the holder of a lien who signs the consent. ~~[A lender described in this paragraph is entitled, within 30 days after providing consent pursuant to this paragraph, to offer a loan to the owner of the tract as the primary lender on the new levy of an assessment.]~~~~

~~[2.] Each consent provided pursuant to this paragraph ~~[(b) (e) of subsection 1 and each amendment thereto]~~ must be recorded in the office of the county recorder and, once recorded, is binding on the ~~[owner] lender~~ who signed the consent, ~~[and any other person who holds any interest in the tract to which the consent relates and who signed the consent.]~~~~

3. A district created pursuant to NRS 271.6312 may be created at any time as designated by a governing body. ~~[, but must only include tracts for which a consent has been recorded pursuant to subsection 2.]~~

4. As used in this section, “lender” means a mortgagee, the beneficiary of a deed of trust or other creditor who holds a mortgage, deed of trust or other *recorded* instrument that encumbers a tract as security for the repayment of a loan used to purchase the tract.

**Sec. 17.** NRS 271.6321 is hereby amended to read as follows:

271.6321 Construction *of a qualified improvement project* within a district created pursuant to NRS 271.6312 must be completed through independent contracts with contractors licensed in Nevada. ~~[who are approved by the governing body.]~~ The municipality is not responsible for the construction, or any defects or delays thereof. The laws of this State relating to public bidding, public works or public procurement are not applicable to contracts for construction ~~[executed pursuant to this subsection. The total contract price of any improvement or installation must not exceed 80 percent of the estimated maximum benefit for the tract as stated in the consent, as it may be amended from time to time, unless the owner of the property to be assessed:~~

~~1. Agrees to pay and pays, or causes another party to pay, the difference between 80 percent of the estimated maximum benefit and the total contract price from a source other than financing provided pursuant to this chapter; and~~

~~2. Agrees in writing that the improvement or installation will in fact benefit the tract by an amount at least equal to the sum of the estimated maximum benefit stated in the consent and the amount to be paid from a source other than financing provided pursuant to this chapter.] of a qualified improvement project.~~

**Sec. 18.** NRS 271.6325 is hereby amended to read as follows:

271.6325 1. Before creating a district pursuant to NRS 271.6312, a governing body must adopt ~~[a resolution]~~ an ordinance which specifies the procedures for the creation and administration of such a district.

2. ~~The [resolution]~~ ordinance adopted pursuant to subsection 1 must approve a program guide that, without limitation [+

~~(a) Sets]~~ , sets forth the forms for any agreements necessary between the district, the property owner and the capital provider. The forms must include, without limitation:

~~[(1) A provision]~~

(a) A draft voluntary assessment agreement between the municipality and the property owner;

(b) A draft notice of assessment and assessment lien; and

(c) A draft assignment of the assessment and the assessment lien.

3. The ordinance adopted pursuant to subsection 1 must:

(a) Require that the property owner [agrees] agree to the assessment in the amount approved by the governing body as repayment for the financing of the qualified improvement project.

~~[(2) A provision]~~

(b) Require that the property owner [acknowledges] acknowledge that [the capital provider will record] a lien will be recorded on the real property pursuant to section 12 of this act to secure the repayment of the financing set forth in the financing agreement.

~~[(b) Prohibits]~~

(c) Prohibit any financing agreement the duration of which exceeds the useful life of the qualified improvement project or, if the qualified improvement project includes more than one qualified improvement, the weighted average life of all qualified improvements included in the qualified improvement project.

~~1 (c) Describes~~

2 (d) Describe the application and eligibility requirements for real property to  
 3 be included in a district, including, without limitation, with respect to a resiliency  
 4 project. Such provisions must ~~require~~ set forth:

5 (1) The nature of resiliency improvements that may be included in a  
 6 resiliency project;

7 (2) The standards and codes that must be met for a resiliency project to  
 8 be a qualified improvement; and

9 (3) The ~~qualifications of a licensed professional who is~~ types of licensed  
 10 professionals who are approved by the municipality to determine whether the  
 11 resiliency project meets the definition set forth in section 8 of this act, as required  
 12 by NRS 271.6312 ~~f~~.

13 ~~(d) Describes~~, including, without limitation, whether a specific type of  
 14 resiliency project needs to be approved by:

15 (I) An architect licensed pursuant to chapter 623 of NRS;

16 (II) A landscape architect licensed pursuant to chapter 623A of NRS;

17 (III) A professional engineer licensed pursuant to chapter 625 of  
 18 NRS;

19 (IV) An environmental health specialist that has a certificate of  
 20 registration pursuant to chapter 625A of NRS;

21 (V) A land use planner certified by the American Institute of  
 22 Certified Planners; or

23 (VI) Any other licensed professional person, as set forth in the  
 24 ordinance.

25 (e) Describe the requirements to be a capital provider.

26 (f) Require each application to be reviewed on its own merits.

27 (g) Require each application to include the submission of the analysis or  
 28 feasibility study required pursuant to NRS 271.6312.

29 (h) Provide that any approval of a qualified improvement project by a  
 30 municipality will only apply to the tract or tracts set forth in the application.

31 (i) Set forth guidelines for a certified appraiser to determine the fair market  
 32 value of the property that will be assessed.

33 ~~3.7~~ 4. The ~~resolution~~ ordinance may provide for one or more of the  
 34 following:

35 (a) Additional notices of the proposal to create the district, notices of the  
 36 opportunity to apply for inclusion in the district or any other notices;

37 (b) Any additional requirements for a qualified improvement project,  
 38 including, without limitation, any requirement for insurance, security features or  
 39 additional covenants and agreements that must be entered into by the  
 40 municipality, capital provider, property owner and, if applicable, lessee;

41 (c) If applicable:

42 (1) A reserve of money for bonds issued for the district, the method of  
 43 funding the reserve and the disposition of any interest earned upon or the principal  
 44 of the reserve that is not needed to repay any bonds or interim warrants issued for  
 45 the purposes of financing ~~an energy efficiency improvement project or renewable~~  
 46 energy] a qualified improvement project within the district; and

47 ~~(e)~~ (2) Any other security for those bonds or interim warrants ; ~~and the~~  
 48 method of determining the term of the bonds in compliance with NRS 271.515;]

49 (d) Any requirements for casualty insurance, liability insurance or other types  
 50 of insurance for any project within the district;

51 (e) The method of determining the lien-to-value ratio of the property for the  
 52 purpose of complying with the limitation prescribed by paragraph ~~(d)~~ (e) of  
 53 subsection 1 of NRS 271.6315;

1 (f) Any limitation on the lien-to-value ratio that would result in a lower lien-to-  
2 value ratio than that prescribed by paragraph ~~[(d)]~~ (e) of subsection 1 of NRS  
3 271.6315;

4 (g) ~~Any limitation on the amount of the contract price, as a percentage of the~~  
5 ~~estimated maximum benefit, that is lower than the limitation prescribed by NRS~~  
6 ~~271.6321;~~

7 ~~[(h)]~~ Any sources, other than the proceeds of assessments, that will be used to  
8 pay:

9 (1) The cost of construction and installation of improvements financed  
10 pursuant to NRS 271.6312 to 271.6325, inclusive ~~[(j)]~~, *and sections 2 to ~~[(j)]~~ 13.5,*  
11 *inclusive, of this act;*

12 (2) The cost of any reserve of money or other security for financing ~~an~~  
13 ~~energy efficiency improvement project or renewable energy] a qualified~~  
14 *improvement* project pursuant to NRS 271.6312 to 271.6325, inclusive ~~[(j)]~~, *and*  
15 *sections 2 to ~~[(j)]~~ 13.5, inclusive, of this act;* or

16 (3) The cost of engineering work, the cost to issue any bonds or provide  
17 other financing, or the cost of other incidentals pursuant to NRS 271.6312 to  
18 271.6325, inclusive ~~[(j)]~~, *and sections 2 to ~~[(j)]~~ 13.5, inclusive, of this act;*

19 ~~[(h)]~~ (h) Any other security features, covenants required of property owners,  
20 covenants required of other parties or any other covenants, guarantees, insurance or  
21 other matters which the governing body finds are necessary or desirable for the  
22 financing of ~~an energy efficiency improvement project or renewable energy] a~~  
23 *qualified improvement* project pursuant to NRS 271.6312 to 271.6325, inclusive ~~[(j)]~~  
24 *, and sections 2 to ~~[(j)]~~ 13.5, inclusive, of this act;* ~~and~~

25 ~~[(i)]~~ (i) Any other matters, procedures or financing terms which the governing  
26 body, in its sole discretion, determines are necessary or desirable to carry out the  
27 purposes of NRS 271.6312 to 271.6325, inclusive ~~[(j)]~~, *and sections 2 to ~~[(j)]~~ 13.5,*  
28 *inclusive, of this act ~~[(j)]~~ ; and*

29 *(j) A designation delegating the governance and administration of the district*  
30 *to the municipality, its governing body, designated employees or an independent*  
31 *third party administrator.*

32 ~~[(2)]~~ 4. ~~[(A resolution)]~~ *An ordinance* adopted pursuant to this section ~~[(j)]~~

33 (a) ~~Must contain or incorporate by reference an exhibit describing each tract to~~  
34 ~~be assessed, the type of improvement or installation to be financed for each tract~~  
35 ~~and the estimated maximum benefit as stated in the consent provided pursuant to~~  
36 ~~paragraph (b) (c) of subsection 1 of NRS 271.6315.~~

37 ~~[(b) May]~~ *may* be adopted as if an emergency exists by a vote of not less than  
38 two-thirds of all the voting members of the governing body.

39 **Sec. 19.** 1. The provisions of sections 1 to 18, inclusive, of this act may be  
40 used by the governing body of a municipality that has created a district pursuant to  
41 NRS 271.6312 to 271.6325, inclusive, before October 1, 2021, but the provisions of  
42 sections 1 to 18, inclusive, of this act do not affect any financing, billing, collection  
43 or enforcement of financing of any existing project in the district created pursuant  
44 to NRS 271.6312 to 271.6325, before October 1, 2021.

45 2. As used in this section:

46 (a) "Governing body" has the meaning ascribed to it in NRS 271.115.

47 (b) "Municipality" has the meaning ascribed to it in NRS 271.145.

48 (c) "Project" means an energy efficiency improvement project or renewable  
49 energy project that began before October 1, 2021, in a district created pursuant to  
50 NRS 271.6312 to 271.6325, inclusive, as those provisions existed on September 30,  
51 2021.