

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 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 “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. **Section 11** of this bill requires that each owner of 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 specific amount of the assessment against the tract provided by a financing agreement and the placement of an assessment lien on the property. **Sections 5 and 5.5** of this bill, respectively, define the terms “financing agreement” and “property owner.”



23 **Section 12** of this bill requires the execution and recording of an assessment  
24 lien on the real property and sets forth the priority of such a lien.

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

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

33 **Section 10** of this bill requires, with certain exceptions, that a qualified  
34 improvement project be financed or refinanced only through an assessment on the  
35 real property. **Section 11** of this bill provides that while the governing body  
36 imposes the assessment, the capital provider is solely responsible for the billing,  
37 collection and enforcement of the assessment. **Section 3** of this bill defines the term  
38 "capital provider."

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

42 **Section 13.5** of this bill provides that: (1) a municipality and its governing  
43 body, officers and employees shall not be liable for any actions taken pursuant to  
44 existing law providing for the creation of a district and **sections 2-13.5** of this bill,  
45 except in cases of willful misconduct; (2) a municipality shall not use public funds  
46 to fund an assessment imposed on a property owner to repay bonds or direct  
47 financing or refinancing nor pledge the full faith and credit of the municipality for  
48 such purposes; (3) a municipality shall not be liable for any amount due related to a  
49 qualified improvement project, including, without limitation, the costs of  
50 construction of the qualified improvement project; and (4) a municipality that  
51 establishes a qualified improvement district may impose a fee to recover the  
52 reasonable administrative costs from participating property owners.

53 **Section 19** of this bill provides that the governing body of a municipality that  
54 created a district pursuant to NRS 271.6312 to 271.6325, inclusive, before October  
55 1, 2021, may use the provisions of this bill in the district but that this bill does not  
56 affect any financing, billing, collection or enforcement of financing of any existing  
57 project in the district.

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

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

4 **Sec. 2.** *As used in NRS 271.6312 to 271.6325, inclusive, and*  
5 *sections 2 to 13.5, inclusive, of this act, unless the context*  
6 *otherwise requires, the words and terms defined in sections 3 to 9,*  
7 *inclusive, of this act have the meanings ascribed to them in those*  
8 *sections.*

9 **Sec. 3.** *"Capital provider" means any private entity or the*  
10 *designee, successor or assign of the private entity that provides*  
11 *direct financing or refinancing for a qualified improvement*



1 *project pursuant to the provisions of NRS 271.6312 to 271.6325,*  
2 *inclusive, and sections 2 to 13.5, inclusive, of this act.*

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

11 **Sec. 5.** *“Financing agreement” means the contract pursuant*  
12 *to which a property owner or lessee, as applicable, agrees to repay*  
13 *the capital provider for financing or refinancing a qualified*  
14 *improvement project, including, without limitation, any finance*  
15 *charges, fees, debt servicing, interest, penalties and any other*  
16 *provision relating to the treatment of prepayment or partial*  
17 *payment, billing, collection and enforcement of the assessment*  
18 *and lien securing the financing.*

19 **Sec. 5.3.** *“Program guide” means the comprehensive*  
20 *document adopted by a governing body pursuant to NRS 271.6325*  
21 *that sets forth standard forms and establishes any appropriate*  
22 *guidelines, specifications and criteria for the underwriting and*  
23 *approval of a qualified improvement project.*

24 **Sec. 5.5.** *“Property owner” means all of the owners of record*  
25 *of the tract on which a qualified improvement project is installed.*

26 **Sec. 6.** *“Qualified improvement project” means one or more*  
27 *of the following projects which are permanently affixed to real*  
28 *property in an existing structure or in new construction,*  
29 *performed pursuant to NRS 271.6312 to 271.6325, inclusive, and*  
30 *sections 2 to 13.5, inclusive, of this act:*

- 31 1. *Energy efficiency improvement project.*
- 32 2. *Renewable energy project.*
- 33 3. *Resiliency project.*
- 34 4. *Water efficiency improvement project.*

35 **Sec. 7.** *“Renewable energy project” means any improvement*  
36 *to real property, and facilities and equipment used to generate*  
37 *electricity from renewable energy to offset customer load in whole*  
38 *or in part on the real property, or to support the production of*  
39 *renewable or thermal energy including, without limitation, energy*  
40 *storage, and all appurtenances and incidentals necessary, useful*  
41 *or desirable for any such improvements, facilities and equipment,*  
42 *and which improvement has a useful life of not less than 10 years.*

43 **Sec. 8.** *“Resiliency project” means an improvement to real*  
44 *property, facilities or equipment with a useful life of not less than*  
45 *10 years that:*



1 *1. Increases a building's structural resiliency for seismic*  
2 *events;*

3 *2. Improves indoor air quality;*

4 *3. Improves wind and fire resistance;*

5 *4. Improves stormwater quality or reduces on-site or off-site*  
6 *risk of flash flooding;*

7 *5. Improves or enhances the ability of a building to withstand*  
8 *an electrical outage;*

9 *6. Reduces or mitigates the urban heat island effect or the*  
10 *effects of extreme heat;*

11 *7. Reduces any other environmental hazard identified by a*  
12 *municipality; or*

13 *8. Enhances the surrounding environment in which the real*  
14 *property is located.*

15 **Sec. 9.** *“Water efficiency improvement project” means an*  
16 *improvement to real property, facilities or equipment, and all*  
17 *necessary appurtenances and incidentals thereto, with a useful life*  
18 *of not less than 10 years that is designed to:*

19 *1. Reduce the water consumption of the real property; or*

20 *2. Conserve or remediate water, in whole or in part, on the*  
21 *real property.*

22 **Sec. 10.** *1. Except as otherwise provided in this section, a*  
23 *qualified improvement project must be financed or refinanced*  
24 *only through an assessment on the real property that secures the*  
25 *direct financing or refinancing obtained from a capital provider*  
26 *pursuant to a financing agreement.*

27 *2. In addition to, but not in lieu of the direct financing or*  
28 *refinancing described in subsection 1, a qualified improvement*  
29 *project may be financed or refinanced through an assessment on*  
30 *the real property to secure bonds issued pursuant to NRS 271.475.*  
31 *Any bonds issued for a qualified improvement project:*

32 *(a) Shall not constitute the debt or indebtedness of the*  
33 *municipality within the meaning of any provision or limitation of*  
34 *the Constitution of the State of Nevada or statute;*

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

38 *(c) Shall not be used in furtherance of or in support of direct*  
39 *financing or refinancing from a capital provider.*

40 **Sec. 11.** *1. Notwithstanding any other provision of this*  
41 *chapter, in order to impose an assessment for a qualified*  
42 *improvement project, the municipality must enter into a written*  
43 *voluntary assessment agreement with a property owner whereby*  
44 *the property owner:*

45 *(a) Consents in writing to:*



1           (1) *The specific amount of the assessment that will be*  
2 *imposed on the real property for the qualified improvement project*  
3 *to secure repayment of:*

4           (I) *The direct financing or refinancing provided by the*  
5 *capital provider for the qualified improvement project, as set forth*  
6 *in the financing agreement; or*

7           (II) *The repayment of any bonds issued pursuant to*  
8 *NRS 271.475 for the qualified improvement project; and*

9           (2) *The placement of an assessment lien on the real*  
10 *property; and*

11           (b) *Provides a written description of the tract to be assessed*  
12 *and the qualified improvements included in the qualified*  
13 *improvement project that are to be financed or refinanced by the*  
14 *capital provider and, if applicable, the bonds issued pursuant to*  
15 *NRS 271.475.*

16           2. *Notwithstanding the execution of a voluntary assessment*  
17 *agreement pursuant to subsection 1, except for the imposition and*  
18 *amount of the assessment and the assessment lien, in no event is*  
19 *the municipality responsible for the form of the voluntary*  
20 *assessment agreement or any statement, term, provision or other*  
21 *matter contained in the voluntary assessment agreement.*

22           3. *Each voluntary assessment agreement, and any substantive*  
23 *amendment thereto, must be recorded in the office of the county*  
24 *recorder and, once recorded, is binding on the owner who signed*  
25 *the voluntary assessment agreement and any other person who*  
26 *holds any interest in the tract to which the voluntary assessment*  
27 *agreement relates regardless of whether the interest in the tract*  
28 *came into existence before or after the recording of the voluntary*  
29 *assessment agreement.*

30           4. *Any amendment to a voluntary assessment agreement must*  
31 *be executed by the property owner and the municipality. If an*  
32 *amendment is a substantive change to the voluntary assessment*  
33 *agreement, the amendment must be recorded. Any amendment is*  
34 *binding on the property owner and any other person who holds an*  
35 *interest in the tract.*

36           5. *If a direct financing agreement is used to finance a*  
37 *qualified improvement project:*

38           (a) *A municipality must assign the assessment and assessment*  
39 *lien, including, without limitation, the right to receive payment in*  
40 *accordance with the terms of the financing agreement, to the*  
41 *capital provider.*

42           (b) *The capital provider is solely responsible for the billing,*  
43 *collection and the enforcement of an assessment imposed on real*  
44 *property pursuant to NRS 271.6312 to 271.6325, inclusive, and*  
45 *sections 2 to 13.5, inclusive, of this act.*



1 (c) *Delinquent payment of an assessment will result in the*  
2 *interest and penalties set forth in the financing agreement.*

3 (d) *Enforcement of a delinquent payment shall be by judicial*  
4 *foreclosure in the manner of a mortgage.*

5 6. *Assessments not yet due must not be accelerated or*  
6 *eliminated by foreclosure. In the event of foreclosure, any liens*  
7 *securing the payment of general taxes must be satisfied before the*  
8 *payment of outstanding or delinquent assessments.*

9 7. *An assessment lien placed on real property pursuant to*  
10 *NRS 271.6312 to 271.6325, inclusive, and sections 2 to 13.5,*  
11 *inclusive, of this act:*

12 (a) *Is created by the voluntary assessment agreement between*  
13 *the municipality and the property owner; and*

14 (b) *Is not created by ordinance or resolution of the*  
15 *municipality.*

16 **Sec. 12.** 1. *A municipality shall execute and record a notice*  
17 *of assessment and assessment lien on the real property on which*  
18 *an assessment is imposed pursuant to the provisions of NRS*  
19 *271.6312 to 271.6325, inclusive, and sections 2 to 13.5, inclusive,*  
20 *of this act. The municipality may delegate to the capital provider*  
21 *responsibility for recording the notice of assessment and*  
22 *assessment lien.*

23 2. *The notice of assessment and assessment lien must*  
24 *include, without limitation:*

25 (a) *The legal description of the real property;*

26 (b) *The name of each property owner;*

27 (c) *The date on which the lien was created, which is the date*  
28 *on which the notice of assessment is recorded;*

29 (d) *The principal amount of the assessment lien;*

30 (e) *The term of the assessment lien; and*

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

34 3. *Notwithstanding the provisions of any other statute to the*  
35 *contrary, an assessment and assessment lien:*

36 (a) *Run with the land and is not subject to acceleration or*  
37 *extinguishment by the sale of any property on account of the*  
38 *nonpayment of general taxes.*

39 (b) *Are prior and superior to all liens, claims, encumbrances*  
40 *and titles other than the liens of assessments and general taxes*  
41 *attached to the tract pursuant to the provisions of NRS 361.450.*

42 **Sec. 13.** *A person that is leasing real property within a*  
43 *district created pursuant to NRS 271.6312 to 271.6325, inclusive,*  
44 *and sections 2 to 13.5, inclusive, of this act may enter into a*  
45 *financing agreement with a capital provider for a qualified*



1 *improvement project if the owner of the real property enters into a*  
2 *voluntary written assessment agreement with the municipality*  
3 *pursuant to section 11 of this act.*

4 **Sec. 13.5.** 1. *A municipality, its governing body, its officers*  
5 *and its employees shall not be liable for actions taken pursuant to*  
6 *NRS 271.6312 to 271.6325, inclusive, and sections 2 to 13.5,*  
7 *inclusive, of this act, except in cases of willful misconduct.*

8 2. *A municipality shall not use any public funds to pay an*  
9 *assessment imposed to repay bonds or direct financing or*  
10 *refinancing of a qualified improvement project nor pledge the full*  
11 *faith and credit of the municipality for such purposes.*

12 3. *The amount necessary to repay bonds or the direct*  
13 *financing or refinancing of a qualified improvement project is*  
14 *secured solely by the assessment and a municipality shall not use*  
15 *or pledge any money derived from any other source for such*  
16 *purposes.*

17 4. *A municipality is not liable for any amount due related to a*  
18 *qualified improvement project, including, without limitation, the*  
19 *costs for construction of the qualified improvement project.*

20 5. *A municipality that establishes a district pursuant to NRS*  
21 *271.6312 to 271.6325, inclusive, and sections 2 to 13.5, inclusive,*  
22 *of this act, may impose a fee on a property owner that enters into a*  
23 *voluntary assessment agreement pursuant to section 11 of this act*  
24 *to recover the reasonable costs of administration and the*  
25 *performance of its duties pursuant to NRS 271.6312 to 271.6325,*  
26 *inclusive, and sections 2 to 13.5, inclusive, of this act.*

27 **Sec. 14.** NRS 271.385 is hereby amended to read as follows:

28 271.385 1. At the time and place designated pursuant to NRS  
29 271.380, the governing body shall hear and determine any written  
30 complaint, protest or objection filed as provided in that section and  
31 any verbal views expressed in respect to the proposed assessments,  
32 assessment roll or assessment procedure. The governing body may  
33 adjourn the hearing from time to time.

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

37 3. Any complaint, protest or objection to:

- 38 (a) The assessment roll;  
39 (b) The regularity, validity and correctness of each assessment;  
40 (c) The amount of each assessment; or  
41 (d) The regularity, validity and correctness of any other

42 proceedings occurring after the date of the hearing described in NRS  
43 271.310 and before the date of the hearing governed by this section,  
44 ↪ shall be deemed waived unless filed in writing within the time  
45 and in the manner provided by NRS 271.380.



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

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

9 271.6312 1. The governing body of a municipality, on behalf  
10 of the municipality and in its name, without an election, may *by*  
11 *resolution* create a district to finance *or refinance* one or more  
12 ~~[energy efficiency improvement projects or renewable energy]~~  
13 *qualified improvement* projects:

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

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

18 (2) Property financed by a government-guaranteed financing  
19 program that prohibits the subordination of the government's  
20 interest in the property or otherwise prohibits a contract under NRS  
21 271.6312 to 271.6325, inclusive ~~[ ]~~ , *and sections 2 to 13.5,*  
22 *inclusive, of this act.*

23 (b) That meet one of the following requirements:

24 (1) For an energy efficiency improvement project, the project  
25 must be determined to *meet the definition of an energy efficiency*  
26 *improvement project set forth in section 4 of this act, comply with*  
27 *applicable requirements set forth in the program guide and* be  
28 ~~[appropriate through]~~ *supported by* an energy audit conducted by a  
29 qualified service company ~~[. A project may be determined to be~~  
30 ~~appropriate if:~~

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

38 ~~(II) The expected energy savings from the project exceeds~~  
39 ~~the investment costs of the project.]~~ *that includes a written energy*  
40 *analysis of the project.*

41 (2) For a renewable energy project, the project must ~~[be~~  
42 ~~determined to be feasible through a written feasibility study~~  
43 ~~conducted]~~ *meet the definition of a renewable energy project set*  
44 *forth in section 7 of this act, as determined* by a qualified service  
45 company ~~[ ]~~ , *and comply with applicable requirements set forth in*





1 *the program guide. The determination of the qualified service*  
2 *company must be supported by a written feasibility study. Except*  
3 *as otherwise provided in this subparagraph, a renewable energy*  
4 *project must not be used to sell or distribute renewable energy*  
5 *between tracts. If the structure that is benefitting from the*  
6 *qualified improvement project is located on more than one*  
7 *contiguous tract, the renewable energy project may be used to*  
8 *serve the entire structure.*

9 (3) *For a resiliency project, the project must be determined*  
10 *to meet the definition of a resiliency project set forth in section 8*  
11 *of this act by a licensed professional in the field of the resiliency*  
12 *project that is approved by the municipality pursuant to*  
13 *NRS 271.6325 and comply with applicable requirements set forth*  
14 *in the program guide. The determination of the licensed*  
15 *professional must be contained in a written analysis of the project.*

16 (4) *For a water efficiency improvement project, the project*  
17 *must be determined to meet the definition of a water efficiency*  
18 *improvement project set forth in section 9 of this act by a qualified*  
19 *service company and comply with applicable requirements set*  
20 *forth in the program guide. The determination of the qualified*  
21 *service company must be contained in a written analysis of the*  
22 *project.*

23 2. ~~[A bond or interim warrant issued for a district created~~  
24 ~~pursuant to this section must not be secured by a pledge of the~~  
25 ~~general credit or taxing power of the municipality or by the surplus~~  
26 ~~and deficiency fund established pursuant to NRS 271.428.] Subject~~  
27 ~~to the provisions of subsection 2 of NRS 271.6315, a district~~  
28 ~~created pursuant to subsection 1 may comprise the entire~~  
29 ~~jurisdictional boundaries of the municipality or any portion or~~  
30 ~~individual tract, thereof.~~

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

35 4. The provisions of:

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

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

43 5. As used in this section:

44 (a) "Energy audit" means a formal evaluation of the energy  
45 consumption of a permanent building or any structural improvement



1 to real property that is consistent with the requirements of ASTM  
2 International Standard E2797, "Standard Practice for Building  
3 Energy Performance Assessment for a Building Involved in a Real  
4 Estate Transaction," the ASHRAE Level 2 or 3 guidelines for  
5 energy audits or any comparable energy assessment guidelines.

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

8 **Sec. 16.** NRS 271.6315 is hereby amended to read as follows:  
9 271.6315 1. A governing body may create a district pursuant  
10 to NRS 271.6312 only if:

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

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

19 ~~[(b) Each]~~

20 2. *The governing body shall not approve a tract within the*  
21 *boundaries of the district for financing or refinancing a qualified*  
22 *improvement project unless:*

23 (a) *The owner of [each] the tract on which [an energy efficiency*  
24 *improvement project or renewable energy] a qualified improvement*  
25 *project will be located [consents in writing to the location of the*  
26 *project on the tract and the levy of an assessment against the tract to*  
27 *pay all or a portion of the cost thereof in an amount up to the*  
28 *estimated maximum benefit to the tract from the installation or*  
29 *improvement. The estimated maximum benefit may not exceed the*  
30 *market value of the tract as determined by the governing body.-*

31 ~~— (c) Each consent provided pursuant to paragraph (b):~~

32 ~~— (1) Describes the tract to be assessed and the improvements~~  
33 ~~to be financed;~~

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

37 ~~— (3) Is accompanied by:~~

38 ~~— (l) A signed copy of each contract between an owner of~~  
39 ~~the tract and each contractor described in NRS 271.6321 pursuant to~~  
40 ~~which the contractor agrees to construct, acquire and install the~~  
41 ~~installation or improvement identified in the consent at a total price~~  
42 ~~which does not exceed the limitation set forth in NRS 271.6321 and~~  
43 ~~which contains any terms, including, without limitation, application~~  
44 ~~fees and costs, the total amount financed, annual percentage rate,~~  
45 ~~total amount paid over the life of any assessment, any appraisal fees,~~



1 ~~bond related costs, annual administrative fees, closing costs, credit~~  
2 ~~reporting fees and recording fees, and such other terms not~~  
3 ~~inconsistent with the provisions of NRS 271.6312 to 271.6325,~~  
4 ~~inclusive, or with the resolution adopted pursuant to NRS 271.6325,~~  
5 ~~as may be agreed upon by the owner of the tract and the contractor~~  
6 ~~and is acceptable to the governing body; and~~

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

12 ~~—(d) enters into a voluntary assessment agreement pursuant to~~  
13 ~~section 11 of this act.~~

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

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

26 *(d) The outstanding amount owed on all recorded instruments*  
27 *which are liens against [any] the tract [included in the district, does]*  
28 *including the assessment lien for the qualified improvement*  
29 *project, will not exceed 90 percent of the estimated fair market*  
30 *value of the property assessed [as defined by the governing body,*  
31 *taking into account the imposition of the liens for assessments*  
32 *pursuant to NRS 271.6312 to 271.6325, inclusive, and the additional*  
33 *value added to the tract by a project financed pursuant to NRS*  
34 *271.6312 to 271.6325, inclusive.*

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

37 *(e) Any lender who holds a lien on [any] the tract on which [an*  
38 *energy efficiency] the qualified improvement project [or renewable*  
39 *energy project] will be located consents in writing to the levy of an*  
40 *assessment and assessment lien against the tract to [pay all or a*  
41 *portion of the cost of the installation or improvement.] secure*  
42 *repayment of the financing or refinancing of the qualified*  
43 *improvement project.* A consent signed pursuant to this paragraph  
44 must be in a recordable form and is binding on the holder of a lien  
45 who signs the consent. ~~[A lender described in this paragraph is~~



1 ~~entitled, within 30 days after providing consent pursuant to this~~  
2 ~~paragraph, to offer a loan to the owner of the tract as the primary~~  
3 ~~lender on the new levy of an assessment.~~

4 ~~—2.] Each consent provided pursuant to *this* paragraph [(b) of~~  
5 ~~subsection 1 and each amendment thereto] must be recorded in the~~  
6 office of the county recorder and, once recorded, is binding on the  
7 ~~[owner] lender~~ who signed the consent ~~[and any other person who~~  
8 ~~holds any interest in the tract to which the consent relates and who~~  
9 ~~signed the consent.] and any successors or assigns.~~

10 3. *Real property owned by the United States Department of*  
11 *Defense is not eligible for any qualified improvement project*  
12 *authorized pursuant to NRS 271.6312 to 271.6325, inclusive, and*  
13 *sections 2 to 13.5, inclusive, of this act.*

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

18 ~~[4.]~~ 5. As used in this section, “lender” means a mortgagee,  
19 the beneficiary of a deed of trust or other creditor who holds a  
20 mortgage, deed of trust or other *recorded* instrument that encumbers  
21 a tract as security for the repayment of a loan . ~~[used to purchase the~~  
22 ~~tract.]~~

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

24 271.6321 Construction *of a qualified improvement project*  
25 within a district created pursuant to NRS 271.6312 must be  
26 completed through independent contracts with contractors licensed  
27 in Nevada . ~~[who are approved by the governing body.]~~ The  
28 municipality is not responsible for the construction, or any defects  
29 or delays thereof. The laws of this State relating to public bidding,  
30 public works or public procurement are not applicable to contracts  
31 for construction ~~[executed pursuant to this subsection. The total~~  
32 ~~contract price of any improvement or installation must not exceed~~  
33 ~~80 percent of the estimated maximum benefit for the tract as stated~~  
34 ~~in the consent, as it may be amended from time to time, unless the~~  
35 ~~owner of the property to be assessed:~~

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

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



1       **Sec. 18.** NRS 271.6325 is hereby amended to read as follows:  
2       271.6325 1. Before creating a district pursuant to NRS  
3       271.6312, a governing body must adopt a resolution which specifies  
4       the procedures for the creation and administration of such a district.

5       2. *The resolution adopted pursuant to subsection 1 must*  
6       *approve a program guide that contains, without limitation:*

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

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

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

12       3. *The resolution adopted pursuant to subsection 1 or the*  
13       *program guide approved pursuant to subsection 2 must:*

14       (a) *Require that the property owner agree to the assessment in*  
15       *the amount approved by the governing body as repayment for the*  
16       *financing of the qualified improvement project.*

17       (b) *Require that the property owner acknowledge that an*  
18       *assessment lien will be recorded on the real property pursuant to*  
19       *section 12 of this act to secure the repayment of the financing set*  
20       *forth in the financing agreement.*

21       (c) *Prohibit any financing agreement the duration of which*  
22       *exceeds the expected useful life of the qualified improvement*  
23       *project or, if the qualified improvement project includes more than*  
24       *one qualified improvement, the weighted average expected life of*  
25       *all qualified improvements included in the qualified improvement*  
26       *project that are financed by the financing agreement or bond*  
27       *issuance.*

28       (d) *Describe the application and eligibility requirements for*  
29       *real property to be included in a district, including, without*  
30       *limitation, with respect to a resiliency project. Such provisions*  
31       *must set forth:*

32       (1) *The nature of resiliency improvements that may be*  
33       *included in a resiliency project;*

34       (2) *The standards and codes that must be met for a*  
35       *resiliency project to be a qualified improvement; and*

36       (3) *The types of licensed professionals who are approved by*  
37       *the municipality to determine whether the resiliency project meets*  
38       *the definition set forth in section 8 of this act, as required by NRS*  
39       *271.6312, including, without limitation, whether a specific type of*  
40       *resiliency project needs to be approved by:*

41       (I) *An architect registered pursuant to chapter 623 of*  
42       *NRS;*

43       (II) *A landscape architect registered pursuant to chapter*  
44       *623A of NRS;*



1 (III) A professional engineer licensed pursuant to  
2 chapter 625 of NRS;

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

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

7 (VI) Any other licensed professional person, as set forth  
8 in the resolution or program guide.

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

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

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

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

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

18 4. The resolution or program guide may provide for one or  
19 more of the following:

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

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

28 (c) If applicable:

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

35 ~~[(e)] (2) Any other security for those bonds or interim warrants~~  
36 ~~; [, and the method of determining the term of the bonds in~~  
37 ~~compliance with NRS 271.515;]~~

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

40 (e) The method of determining the lien-to-value ratio of the  
41 property for the purpose of complying with the limitation prescribed  
42 by paragraph (d) of subsection ~~H~~ 2 of NRS 271.6315;

43 (f) Any limitation on the lien-to-value ratio that would result in  
44 a lower lien-to-value ratio than that prescribed by paragraph (d) of  
45 subsection ~~H~~ 2 of NRS 271.6315;



1 (g) ~~Any limitation on the amount of the contract price, as a~~  
2 ~~percentage of the estimated maximum benefit, that is lower than the~~  
3 ~~limitation prescribed by NRS 271.6324;~~

4 ~~(h)~~ Any sources, other than the proceeds of assessments, that  
5 will be used to pay:

6 (1) The cost of construction and installation of improvements  
7 financed pursuant to NRS 271.6312 to 271.6325, inclusive ~~{ }~~, *and*  
8 *sections 2 to 13.5, inclusive, of this act;*

9 (2) The cost of any reserve of money or other security for  
10 financing ~~an energy efficiency improvement project or renewable~~  
11 ~~energy~~ *a qualified improvement* project pursuant to NRS 271.6312  
12 to 271.6325, inclusive ~~{ }~~, *and sections 2 to 13.5, inclusive, of this*  
13 *act;* or

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

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

26 ~~{(j)}~~ (i) Any other matters, procedures or financing *or program*  
27 terms which the governing body, in its sole discretion, determines  
28 are necessary or desirable to carry out the purposes of NRS  
29 271.6312 to 271.6325, inclusive ~~{ }~~, *and sections 2 to 13.5,*  
30 *inclusive, of this act, including, without limitation, any*  
31 *requirement related to the estimated benefit conferred on the*  
32 *property by the qualified improvement project;*

33 (j) *The amount of, or the basis for determining the amount of,*  
34 *any application or administrative fees that must be paid to the*  
35 *municipality, the program administrator, or both, and the time*  
36 *when any such fee will be due; and*

37 (k) *A designation delegating all or any part of the governance*  
38 *and administration of the district to:*

39 (1) *The governing body;*

40 (2) *A designated official, department or employee of the*  
41 *municipality; or*

42 (3) *An independent third party administrator.*

43 ~~{2.}~~ 5. A resolution adopted pursuant to this section ~~{~~

44 ~~(a) Must contain or incorporate by reference an exhibit~~  
45 ~~describing each tract to be assessed, the type of improvement or~~



1 ~~installation to be financed for each tract and the estimated maximum~~  
2 ~~benefit as stated in the consent provided pursuant to paragraph (b) of~~  
3 ~~subsection 1 of NRS 271.6315.~~

4 ~~—(b) May] *must* be adopted [as if an emergency exists by a vote~~  
5 ~~of not less than two thirds of all the voting members of the~~  
6 ~~governing body.] *by a majority vote of the governing body. Such a*~~  
7 ~~*resolution is effective upon adoption or on any date thereafter, as*~~  
8 ~~*provided in the resolution.*~~

9 **Sec. 19.** 1. The provisions of sections 1 to 18, inclusive, of  
10 this act may be used by the governing body of a municipality that  
11 has created a district pursuant to NRS 271.6312 to 271.6325,  
12 inclusive, before October 1, 2021, but the provisions of sections 1 to  
13 18, inclusive, of this act do not affect any financing, billing,  
14 collection or enforcement of financing of any existing project in the  
15 district created pursuant to NRS 271.6312 to 271.6325, before  
16 October 1, 2021.

17 2. As used in this section:

18 (a) “Governing body” has the meaning ascribed to it in  
19 NRS 271.115.

20 (b) “Municipality” has the meaning ascribed to it in  
21 NRS 271.145.

22 (c) “Project” means an energy efficiency improvement project  
23 or renewable energy project that began before October 1, 2021, in a  
24 district created pursuant to NRS 271.6312 to 271.6325, inclusive, as  
25 those provisions existed on September 30, 2021.

