
ASSEMBLY BILL NO. 10—COMMITTEE
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE CITY OF HENDERSON)

PREFILED OCTOBER 29, 2024

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to local improvement projects. (BDR 22-407)

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 improvement projects; authorizing any county, city or town to repair a private water or sewer system that is owned by a common-interest community as part of a neighborhood improvement project; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes the governing body of any county, city or town to create an improvement district for the acquisition, improvement, equipment, operation and maintenance of certain local improvement projects, including a neighborhood improvement project, and to finance the cost of any such project through such methods as the issuance of certain bonds and the levy of assessments upon property in the improvement district. (NRS 271.265, 271.270, 271.325)

Section 1 of this bill amends the definition of “neighborhood improvement project” to include the improvement of a water or sewer system that is owned by a common-interest community.

Existing law authorizes, under certain circumstances, the governing body of any county, city or town to dissolve by resolution an improvement district that is created for the purposes of a neighborhood improvement project. (NRS 271.296)

Section 2 of this bill provides that the authority to dissolve an improvement district does not apply to a neighborhood improvement project that improves a water or sewer system that is owned by a common-interest community.

Existing law sets forth certain notice requirements for a hearing as to the propriety and advisability of an improvement project that has been provisionally ordered by the governing body of a county, city or town. For a neighborhood improvement project, the notice must state that: (1) a person who owns or resides within a tract in the proposed improvement district may file a protest to inclusion in



21 the assessment plat; and (2) if written remonstrances by the owners of tracts
22 constituting one-third or more of the basis for the computation of assessments for
23 the neighborhood improvement project are presented to the governing body, the
24 governing body is prohibited from proceeding with the project. (NRS 271.305,
25 271.306) **Section 3** of this bill provides that this prohibition does not apply to a
26 neighborhood improvement project that improves a water or sewer system that is
27 owned by a common-interest community. Instead, **section 4** of this bill provides
28 that a neighborhood improvement project that improves a water or sewer system
29 that is owned by a common-interest community will not be stayed or defeated or
30 prevented by written complaints, protests and objections, unless the governing body
31 deems such written complaints, protests and objections proper to cause the
32 neighborhood improvement project to be stayed or prevented.

33 **Section 5** of this bill makes a conforming change to authorize the governing
34 body of a county, city or town to proceed with the improvement district after the
35 hearing and after the governing body makes certain determinations, including a
36 determination that an exception applies that authorizes the governing body to
37 acquire or improve an improvement project despite certain complaints, protests and
38 objections.

39 Existing law requires a governing body which has acquired or improved a
40 neighborhood improvement project to annually: (1) prepare an amendment to the
41 assessment roll for the district and an estimate of the expenditures for the next
42 fiscal year; (2) hold a public meeting to consider the amendment; and (3) provide
43 certain notice to the owner of each tract being assessed. (NRS 271.377) **Section 6**
44 of this bill makes these provisions inapplicable to a neighborhood improvement
45 project that improves a water or sewer system that is owned by a common-interest
46 community.

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

1 **Section 1.** NRS 271.147 is hereby amended to read as follows:
2 271.147 "Neighborhood improvement project" includes:

3 1. The beautification and improvement of the public portions
4 of any area, including, without limitation:

- 5 (a) Public restrooms;
6 (b) Facilities for outdoor lighting and heating;
7 (c) Decorations;
8 (d) Fountains;
9 (e) Landscaping;
10 (f) Facilities or equipment, or both, to enhance protection of
11 persons and property within the improvement district;
12 (g) Ramps, sidewalks and plazas; and
13 (h) Rehabilitation or removal of existing structures; ~~and~~

14 2. The improvement of an area by providing promotional
15 activities ~~and~~; and

16 3. *The improvement of a water or sewer system that is owned*
17 *by a common-interest community.*



1 **Sec. 2.** NRS 271.296 is hereby amended to read as follows:

2 271.296 1. The governing body may, by resolution, dissolve
3 an improvement district that is created for the purposes of a
4 neighborhood improvement project *described in subsection 1 or 2*
5 *of NRS 271.147* if property owners whose property is assessed for a
6 combined total of more than 50 percent of the total amount of the
7 assessments of all the property in the improvement district submit a
8 written petition to the governing body that requests the dissolution
9 of the district within the period prescribed in subsection 2.

10 2. The dissolution of an improvement district pursuant to this
11 section may be requested within 30 days after:

12 (a) The first anniversary of the date the improvement district
13 was created; and

14 (b) Each subsequent anniversary thereafter.

15 3. As soon as practicable after the receipt of the written petition
16 of the property owners submitted pursuant to subsection 1, the
17 governing body shall pass a resolution of intention to dissolve the
18 improvement district. The governing body shall give notice of a
19 hearing on the dissolution. The notice must be provided and the
20 hearing must be held in the manner set forth in NRS 271.380 and
21 271.385. If the governing body determines that dissolution of
22 the improvement district is appropriate, it shall dissolve the
23 improvement district by resolution, effective not earlier than the
24 30th day after the hearing.

25 4. If there is indebtedness, outstanding and unpaid, incurred to
26 accomplish any of the purposes of the improvement district, the
27 portion of the assessment necessary to pay the indebtedness remains
28 effective and must be continued in the following years until the debt
29 is paid.

30 **Sec. 3.** NRS 271.305 is hereby amended to read as follows:

31 271.305 1. In the provisional order the governing body shall
32 set a time, at least 20 days thereafter, and a place at which the
33 owners of the tracts to be assessed, or any other interested persons,
34 may appear before the governing body and be heard as to the
35 propriety and advisability of acquiring or improving, or acquiring
36 and improving, the project or projects provisionally ordered. If a
37 mobile home park is located on one or more of the tracts to be
38 assessed, the notice must be given to the owner of the tract and each
39 tenant of that mobile home park.

40 2. Notice must be given:

41 (a) By publication.

42 (b) By mail.

43 (c) By posting.

44 3. Proof of publication must be by affidavit of the publisher.



1 4. Proof of mailing and proof of posting must be by affidavit of
2 the engineer, clerk, or any deputy mailing the notice and posting the
3 notice, respectively.

4 5. Proof of publication, proof of mailing and proof of posting
5 must be maintained in the records of the municipality until all the
6 assessments appertaining to the project have been paid in full,
7 including principal, interest, any penalties, and any collection costs.

8 6. The notice may be prepared by the engineer and ratified by
9 the governing body, and, except as otherwise provided in subsection
10 7, must state:

11 (a) The kind of project proposed.

12 (b) The estimated cost of the project, and the portion, if any, to
13 be paid from sources other than assessments.

14 (c) The basis for apportioning the assessments, which
15 assessments must be in proportion to the special benefits derived to
16 each of the several tracts comprising the assessable property and on
17 a front foot, area, zone or other equitable basis.

18 (d) The number of installments and time in which the
19 assessments will be payable.

20 (e) The maximum rate of interest on unpaid installments of
21 assessments.

22 (f) The extent of the improvement district to be assessed, by
23 boundaries or other brief description.

24 (g) The time and place of the hearing where the governing body
25 will consider all objections to the project.

26 (h) That all written objections to the project must be filed with
27 the clerk of the municipality at least 3 days before the time set for
28 the hearing.

29 (i) If the project is not a neighborhood improvement project, that
30 pursuant to NRS 271.306, if a majority of the property owners to be
31 proposed for a project proposed by a governing body object in
32 writing within the time stated in paragraph (h), the project must not
33 be acquired or improved unless:

34 (1) The municipality pays one-half or more of the total cost
35 of the project, other than a park project, with money derived from
36 other than the levy or assessments; or

37 (2) The project constitutes not more than 2,640 feet,
38 including intersections, remaining unimproved in any street,
39 including an alley, between improvements already made to either
40 side of the same street or between improvements already made to
41 intersecting streets.

42 (j) That the description of the tracts to be assessed, the
43 maximum amount of benefits estimated to be conferred on each
44 such tract and all proceedings in the premises are on file and can be
45 examined at the office of the clerk.



1 (k) Unless there will be no substantial change, that a substantial
2 change in certain existing street elevations or grades will result from
3 the project, without necessarily including any statement in detail of
4 the extent or location of any such change.

5 (l) That a person should object to the formation of the district
6 using the procedure outlined in the notice if the person's support for
7 the district is based upon a statement or representation concerning
8 the project that is not contained in the language of the notice.

9 (m) That if a person objects to the amount of maximum benefits
10 estimated to be assessed or to the legality of the proposed
11 assessments in any respect:

12 (1) The person is entitled to be represented by counsel at the
13 hearing;

14 (2) Any evidence the person desires to present on these
15 issues must be presented at the hearing; and

16 (3) Evidence on these issues that is not presented at the
17 hearing may not thereafter be presented in an action brought
18 pursuant to NRS 271.315.

19 (n) If the project is a neighborhood improvement project, that:

20 (1) A person who owns or resides within a tract in the
21 proposed improvement district may file a protest to inclusion in the
22 assessment plat pursuant to NRS 271.392; and

23 (2) Pursuant to NRS 271.306, if written remonstrances by the
24 owners of tracts constituting one-third or more of the basis for the
25 computation of assessments for ~~the~~ a neighborhood improvement
26 project *described in subsection 1 or 2 of NRS 271.147* are
27 presented to the governing body, the governing body shall not
28 proceed with the neighborhood improvement project.

29 7. The notice need not state either or both of the exceptions
30 stated in subsection 2 of NRS 271.306 unless either or both of the
31 exceptions are determined by the governing body or the engineer to
32 be relevant to the proposed improvement district to which the notice
33 appertains.

34 8. All proceedings may be modified or rescinded wholly or in
35 part by resolution adopted by the governing body, or by a document
36 prepared by the engineer and ratified by the governing body, at any
37 time before the passage of the ordinance adopted pursuant to NRS
38 271.325, creating the improvement district, and authorizing the
39 project.

40 9. No substantial change in the improvement district, details,
41 preliminary plans or specifications or estimates may be made after
42 the first publication, posting or mailing of notice to property owners,
43 whichever occurs first, except:

44 (a) As otherwise provided in NRS 271.640 to 271.646,
45 inclusive; or



1 (b) For the deletion of a portion of a project and property from
2 the proposed program and improvement district or any assessment
3 unit.

4 10. The engineer may make minor changes in time, plans and
5 materials entering into the work at any time before its completion.

6 11. If the ordinance is for a neighborhood improvement
7 project, notice sent pursuant to this section must be sent by mail to
8 each person who owns real property which is located within the
9 proposed improvement district and to each tenant who resides or
10 owns a business located within the proposed improvement district.

11 **Sec. 4.** NRS 271.306 is hereby amended to read as follows:

12 271.306 1. Regardless of the basis used for apportioning
13 assessments, the amount apportioned to a wedge or V or any other
14 irregularly shaped tract must be in proportion to the special benefits
15 thereby derived.

16 2. Except as otherwise provided in subsections 3 , ~~and~~ 4 ~~and~~
17 **and 5**, if, within the time specified in the notice, complaints,
18 protests and objections in writing, that is, all written remonstrances,
19 against acquiring or improving the project proposed by initiation of
20 the governing body are filed with the clerk, signed by the owners of
21 tracts constituting a majority of the frontage, of the area, of the zone,
22 or of the other basis for the computation of assessments, as the case
23 may be, of the tracts to be assessed in the improvement district or in
24 the assessment unit if the improvement district is divided into
25 assessment units, the project therein must not be acquired or
26 improved unless:

27 (a) The municipality pays one-half or more of the total cost of
28 the project, other than a park project, with money derived from other
29 than the levy of assessments; or

30 (b) The project constitutes not more than 2,640 feet, including
31 intersections, remaining unimproved in any street, including an
32 alley, between improvements already made to either side of the
33 same street or between improvements already made to intersecting
34 streets. In this case the governing body may on its own motion cause
35 the intervening and unimproved part of the street to be improved.
36 Such improvements will not be stayed or defeated or prevented by
37 written complaints, protests and objections thereto, unless the
38 governing body in its sole discretion, deems such written
39 complaints, protests and objections proper to cause the improvement
40 to be stayed or prevented.

41 3. Written remonstrances by the owners of tracts constituting
42 50 percent of the basis for the computation of assessments suffice to
43 preclude the acquisition or improvement of a street beautification
44 project or waterfront maintenance project.



1 4. Written remonstrances by the owners of tracts constituting at
2 least one-third of the basis for the computation of assessments
3 suffice to preclude the acquisition or improvement of a
4 neighborhood improvement project ~~[-]~~ *described in subsection 1 or*
5 *2 of NRS 271.147.* For the purposes of this subsection, the property
6 of a single owner may not be counted as constituting more than 10
7 percent of the basis.

8 *5. A neighborhood improvement project described in*
9 *subsection 3 of NRS 271.147 will not be stayed or defeated or*
10 *prevented by written complaints, protests and objections thereto,*
11 *unless the governing body in its sole discretion, deems such*
12 *written complaints, protests and objections proper to cause the*
13 *neighborhood improvement project to be stayed or prevented.*

14 **Sec. 5.** NRS 271.320 is hereby amended to read as follows:

15 271.320 1. After the hearing and after the governing body
16 has:

17 (a) Disposed of all complaints, protests and objections, oral and
18 in writing;

19 (b) Determined that it is not prevented from proceeding pursuant
20 to subsection 3 or 4 of NRS 271.306; and

21 (c) Determined that:

22 (1) ~~[-]~~ *Any of the* exceptions stated in
23 ~~[-]~~ NRS 271.306 apply; or

24 (2) There were not filed with the clerk complaints, protests
25 and objections in writing and signed by the owners of tracts
26 constituting a majority of the frontage, of the area, of the zone, or of
27 the other basis for the computation of assessments stated in the
28 notice, of the tracts to be assessed in the improvement district or in
29 the assessment unit, if any,

30 and the governing body has jurisdiction to proceed, the governing
31 body shall determine whether to proceed with the improvement
32 district, and with each assessment unit, if any, except as otherwise
33 provided in this chapter.

34 2. Except as otherwise provided in NRS 271.640 to 271.646,
35 inclusive, if the governing body desires to proceed and desires any
36 modification, by motion or resolution it shall direct the engineer to
37 prepare and present to the governing body:

38 (a) A revised and detailed estimate of the total cost, including,
39 without limiting the generality of the foregoing, the cost of
40 acquiring or improving each proposed project and of each of the
41 incidental costs. The revised estimate does not constitute a
42 limitation for any purpose.

43 (b) Full and detailed plans and specifications for each proposed
44 project designed to permit and encourage competition among the
45 bidders, if any project is to be acquired by construction contract.



1 (c) A revised map and assessment plat showing respectively the
2 location of each project and the tracts to be assessed therefor, not
3 including any area or project not before the governing body at a
4 provisional order hearing.

5 3. That resolution, a separate resolution, or the ordinance
6 creating the improvement district may combine or divide the
7 proposed project or projects into suitable construction units for the
8 purpose of letting separate and independent contracts, regardless of
9 the extent of any project constituting an assessment unit and
10 regardless of whether a portion or none of the cost of any project is
11 to be defrayed other than by the levy of special assessments. Costs
12 of unrelated projects must be segregated for assessment purposes as
13 provided in this chapter.

14 **Sec. 6.** NRS 271.377 is hereby amended to read as follows:

15 271.377 1. ~~On~~ *For a neighborhood improvement district*
16 *described in subsection 1 or 2 of NRS 271.147, on* or before
17 June 30 of each year after the governing body acquires or improves
18 ~~the~~ neighborhood improvement project, the governing body shall
19 prepare or cause to be prepared an estimate of the expenditures
20 required in the ensuing fiscal year and a proposed amendment to the
21 assessment roll assessing an amount not greater than the estimated
22 cost against the benefited property. The amendment to the
23 assessment must be computed according to frontage or another
24 uniform and quantifiable basis.

25 2. The governing body shall consider the amendment to the
26 assessment roll at a public meeting of the governing body. Notice
27 must be given by mail or, upon written request and to the extent
28 practicable, by electronic mail to the owner of each tract to be
29 assessed at least 21 days before the date of the meeting of the
30 governing body. The notice must set forth the amount of the
31 assessment roll for the ensuing fiscal year.

32 3. The agenda for a public meeting of the governing body to
33 consider an amendment to the assessment roll must list the
34 amendment as a separate action item. The governing body shall not
35 approve an amendment to the assessment roll as a group of agenda
36 items in a single motion.

37 4. After the meeting, the governing body shall confirm the
38 assessments, as specified in the amendment to the assessment roll,
39 by resolution and mail notice of the assessments to the owner of
40 each tract being assessed. The notice must set forth the date on
41 which the assessment is due and instructions for paying the
42 assessment.

43 5. An improvement district created for a neighborhood
44 improvement project is not entitled to any distribution from the local
45 government tax distribution account.



1 **Sec. 7.** This act becomes effective upon passage and approval.

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