

ASSEMBLY BILL NO. 268—ASSEMBLYMEN LIVERMORE, HICKEY;
PAUL ANDERSON, ELLISON, FIORE, GRADY, HAMBRICK,
HARDY, KIRNER, MUNFORD, STEWART, WHEELER AND
WOODBURY

MARCH 15, 2013

Referred to Committee on Taxation

SUMMARY—Authorizes certain counties to enter into a cooperative agreement to create a tax increment area under certain circumstances. (BDR 22-957)

FISCAL NOTE: Effect on Local Government: No.
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 taxation; authorizing certain counties to enter into cooperative agreements to provide for the creation of tax increment areas to defray the costs of certain joint undertakings; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes the governing body of a city or county to create a tax
2 increment area to defray the costs of certain undertakings, including the acquisition,
3 improvement or equipping of certain infrastructure projects. (Chapter 278C of
4 NRS) Existing law further authorizes the city or county to issue securities in the
5 form of notes, warrants, interim debentures, bonds and temporary bonds to finance
6 or refinance the undertaking. (NRS 278C.280) Existing law provides that a portion
7 of any taxes levied upon taxable property in a tax increment area must be allocated
8 to a tax increment account to repay debt incurred by the city or county to finance or
9 refinance the undertaking. (NRS 278C.250)
10 This bill authorizes two or more counties to enter into a cooperative agreement
11 pursuant to the Interlocal Cooperation Act (NRS 277.080-277.180) to create a tax
12 increment area to defray the costs of certain joint undertakings and to issue
13 securities to finance or refinance a joint undertaking. **Section 3** of this bill requires
14 that a tax increment area or specially benefitted zone created by the cooperative
15 agreement be comprised of contiguous land within the counties. **Section 3**
16 additionally requires that the cooperative agreement establish a joint board or
17 separate legal and administrative entity to conduct the cooperative undertaking.
18 **Section 5** of this bill provides that any securities issued by the joint board of a
19 cooperative agreement for the financing or refinancing of an undertaking are



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20 special obligations of the joint board, payable solely from the tax proceeds paid into
21 the tax increment account of the joint board, and do not constitute obligations or
22 indebtedness of any county that entered into the cooperative agreement. **Sections 4**
23 **and 6-13** of this bill make conforming changes to chapter 278C of NRS to account
24 for the creation of a tax increment area by cooperative agreement and the issuance
25 of securities by a joint board established by a cooperative agreement.

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

1 **Section 1.** Chapter 278C of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 5, inclusive, of this
3 act.

4 **Sec. 2.** *“Joint board” means a separate legal and*
5 *administrative entity established pursuant to a cooperative*
6 *agreement authorized by section 3 of this act.*

7 **Sec. 3. 1.** *Whenever the governing bodies of two or more*
8 *counties determine that the interests of the respective counties and*
9 *the public require an undertaking, the governing bodies of the*
10 *counties may enter into a cooperative agreement pursuant to NRS*
11 *277.080 to 277.180, inclusive, to carry out an undertaking*
12 *authorized by the provisions of this chapter. A cooperative*
13 *agreement authorized by this section must include the*
14 *establishment of a joint board to conduct the cooperative*
15 *undertaking.*

16 **2.** *The boundaries of a tax increment area designated by a*
17 *joint board or a specially benefited zone established by a joint*
18 *board must include lands within each of the counties which*
19 *entered into the cooperative agreement, and such lands must be*
20 *contiguous.*

21 **3.** *A cooperative agreement authorized by this section must*
22 *describe the undertaking by reference to the general types of*
23 *undertakings authorized pursuant to NRS 278C.140 and the*
24 *undertakings proposed for the tax increment area, and must*
25 *contain or refer to an exhibit filed with the clerk of each county*
26 *which entered into the cooperative agreement that contains:*

27 **(a)** *Preliminary plans and a preliminary estimate of the cost of*
28 *the undertaking, including, without limitation, all estimated*
29 *financing costs to be capitalized with the proceeds of the securities*
30 *issued by the joint board and all other estimated incidental costs*
31 *relating to the undertaking;*

32 **(b)** *A statement of the proposed tax increment area pertaining*
33 *to the undertaking, the last finalized amount of the assessed*
34 *valuation of the taxable property in such area, and the amount of*
35 *taxes, including in such amount the sum of any unpaid taxes,*



1 *whether or not delinquent, resulting from the last taxation of the*
2 *property, based upon the records of the county assessor and the*
3 *county treasurer of each county; and*

4 *(c) A statement of the estimated amount of the tax proceeds to*
5 *be credited annually to the tax increment account during the term*
6 *of the proposed securities payable therefrom.*

7 *4. The cooperative agreement must describe the undertaking*
8 *in general terms and must state:*

9 *(a) What portion of the expense of the undertaking will be paid*
10 *with the proceeds of securities issued by the joint board in*
11 *anticipation of tax proceeds to be credited to the tax increment*
12 *account and payable wholly therefrom;*

13 *(b) How the remaining portion of the expense of the*
14 *undertaking, if any, is to be financed; and*

15 *(c) The basic security and any additional security for the*
16 *payment of securities issued by the joint board pertaining to the*
17 *undertaking.*

18 *5. The cooperative agreement must designate the tax*
19 *increment area or its location, so that the various tracts of taxable*
20 *real property and any taxable personal property can be identified*
21 *and determined to be within or without the proposed tax increment*
22 *area, but need not describe in minute detail each tract of real*
23 *property proposed to be included within the tax increment area.*

24 *6. The engineer shall file with the clerk of each county which*
25 *entered into the cooperative agreement the preliminary plans,*
26 *estimate of costs and statements.*

27 *7. Upon the filing of the preliminary plans, estimate of costs*
28 *and statements with the clerk of each county, the joint board shall*
29 *examine the preliminary plans, estimate of costs and statements*
30 *and, if the joint board approves of the preliminary plans, estimate*
31 *of costs and statements, it shall by resolution provisionally order*
32 *the undertaking.*

33 **Sec. 4.** *If two or more counties enter into a cooperative*
34 *agreement pursuant to NRS 277.080 to 277.180, inclusive, to carry*
35 *out an undertaking as authorized by section 3 of this act:*

36 *1. Any reference to or duty imposed on a municipality by any*
37 *provision of this chapter shall be deemed to be a reference to or*
38 *duty imposed on each county that entered into the cooperative*
39 *agreement;*

40 *2. Any reference to or duty imposed on the clerk, the county*
41 *assessor or the county treasurer by any provision of this chapter*
42 *shall be deemed to be a reference to or duty imposed on the clerk,*
43 *the county assessor or the county treasurer, as applicable, of each*
44 *county which entered into the cooperative agreement; and*



1 3. *Any document or record which is required to be filed with*
2 *the clerk, the county assessor or the county treasurer pursuant to*
3 *any provision of this chapter must be filed with the clerk, the*
4 *county assessor or the county treasurer, as applicable, of each*
5 *county which entered into the cooperative agreement.*

6 **Sec. 5.** *If two or more counties enter into a cooperative*
7 *agreement pursuant to NRS 277.080 to 277.180, inclusive, to carry*
8 *out an undertaking as authorized by section 3 of this act, all*
9 *securities issued by the joint board for a tax increment area*
10 *pursuant to this chapter:*

11 1. *Are special obligations of the joint board, are payable*
12 *solely from the tax proceeds accounted for in the tax increment*
13 *account of the joint board and are not obligations of any county*
14 *which entered into the cooperative agreement; and*

15 2. *Do not constitute the debt or indebtedness of any county*
16 *which entered into the cooperative agreement within the meaning*
17 *of any provision or limitation of the Nevada Constitution or*
18 *statutes, and do not constitute or give rise to a pecuniary liability*
19 *of a county or a charge against its general credit or taxing powers.*
20 *Such limitation must be plainly stated on the face of each such*
21 *security.*

22 **Sec. 6.** NRS 278C.050 is hereby amended to read as follows:
23 278C.050 “Engineer” means the municipal engineer or firm of
24 engineers employed by ~~the~~ :

25 1. *The municipality ; or*

26 2. *If the undertaking is pursuant to a cooperative agreement*
27 *authorized by section 3 of this act, the joint board,*

28 ↳ *in connection with any undertaking, any project or the exercise of*
29 *any power authorized in this chapter.*

30 **Sec. 7.** NRS 278C.060 is hereby amended to read as follows:
31 278C.060 “Governing body” means the board of county
32 commissioners, the board of supervisors, the city council , ~~or~~ the
33 board of commissioners ~~+~~ *or the joint board*, as appropriate.

34 **Sec. 8.** NRS 278C.155 is hereby amended to read as follows:

35 278C.155 1. A tax increment area may be created pursuant to
36 this section by a cooperative agreement between a city in which the
37 principal campus of the Nevada State College is located or intended
38 to be located and the Nevada System of Higher Education, if the
39 boundaries of the tax increment area include only land:

40 (a) On which the principal campus of the Nevada State College
41 is located or intended to be located; and

42 (b) Which:

43 (1) Consists of not more than 509 acres;



1 (2) Was transferred by the city creating the tax increment
2 area to the Nevada System of Higher Education for the use of the
3 Nevada State College;

4 (3) Has never been subject to property taxation; and

5 (4) The Nevada System of Higher Education has agreed to
6 continue to own for the term of the tax increment area.

7 ➤ The provisions of NRS 278C.160, subsections 4, 6 and 7 of NRS
8 278C.170, NRS 278C.220, paragraphs (c) and (d) of subsection 1 of
9 NRS 278C.250 and paragraph (d) of subsection 4 of NRS 278C.250
10 *and section 3 of this act* do not apply to a tax increment area created
11 pursuant to this section, but such a tax increment area is subject to
12 the provisions of subsections 2 to 9, inclusive.

13 2. Whenever the governing body of a city in which the
14 principal campus of the Nevada State College is located or intended
15 to be located and the Board of Regents of the University of Nevada
16 determine that the interests of the city, the Nevada System of Higher
17 Education and the public require an undertaking, the governing
18 body and the Board of Regents may enter into a cooperative
19 agreement pursuant to NRS 277.080 to 277.180, inclusive, which
20 describes by reference to the general types of undertakings
21 authorized pursuant to NRS 278C.140 and the undertakings
22 proposed for the tax increment area, and which contains or refers to
23 an exhibit filed with the clerk of the city and the Secretary of the
24 Board of Regents which contains:

25 (a) A statement of the last finalized amount of the assessed
26 valuation of the real property within the boundaries of the tax
27 increment area, which boundaries must be in compliance with
28 subsection 1, and a statement that, based upon the records of the
29 county treasurer, no property taxes were collected on any of that
30 property, or on any interest therein, during the most recent year for
31 which those records are available; and

32 (b) A description of the tax increment area or its location, so that
33 the various tracts of taxable real property and any taxable personal
34 property may be identified and determined to be within or without
35 the tax increment area, except that the description need not describe
36 in complete detail each tract of real property proposed to be
37 included within the tax increment area.

38 3. The governing body may, at any time after the effective date
39 of a cooperative agreement entered into pursuant to this section,
40 adopt a resolution that provisionally orders the undertakings and
41 creation of the tax increment area.

42 4. The notice of the meeting required pursuant to subsection 3
43 of NRS 278C.170 must:



1 (a) Describe by reference the general types of undertakings
2 authorized pursuant to NRS 278C.140 and the undertakings
3 proposed for the tax increment area;

4 (b) Describe the last finalized amount of the assessed valuation
5 of the real property within the boundaries of the tax increment area,
6 and state that, based upon the records of the county treasurer, no
7 property taxes were collected on any of that property, or on any
8 interest therein, during the most recent year for which those records
9 are available;

10 (c) Describe the tax increment area or its location, so that the
11 various tracts of taxable real or personal property may be identified
12 and determined to be within or without the tax increment area; and

13 (d) State the date, time and place of the meeting described in
14 subsection 1 of NRS 278C.170.

15 5. If, after considering all properly submitted and relevant
16 written and oral complaints, protests, objections and other relevant
17 comments and after considering any other relevant material, the
18 governing body determines that the undertaking is in the public
19 interest and defines that public interest, the governing body shall
20 determine whether to proceed with the undertaking. If the governing
21 body has ordered any modification to an undertaking and has
22 determined to proceed, the governing body must consult with the
23 Board of Regents to obtain its consent to the proposed modification.
24 When the Board of Regents and the governing body are in
25 agreement on the modification, if any, and a statement of the
26 modification is filed with the clerk, if the governing body wants to
27 proceed with the undertaking, the governing body shall adopt an
28 ordinance in the same manner as any other ordinance:

29 (a) Overruling all complaints, protests and objections not
30 otherwise acted upon;

31 (b) Ordering the undertaking;

32 (c) Describing the tax increment area to which the undertaking
33 pertains; and

34 (d) Creating a tax increment account for the undertaking.

35 6. Money deposited in the tax increment account as described
36 in paragraph (b) of subsection 1 of NRS 278C.250 may be used to
37 pay the capital costs of the undertaking directly, in addition to being
38 used to pay the bond requirements of loans, money advanced or
39 indebtedness incurred to finance or refinance an undertaking, and
40 may continue to be used for those purposes until the expiration of
41 the tax increment area pursuant to NRS 278C.300.

42 7. The Board of Regents may pledge to any securities it issues
43 under a delegation pursuant to subsection 8, or irrevocably dedicate
44 to the city that will issue securities hereunder, any revenues of the
45 Nevada System of Higher Education derived from the campus of the



1 Nevada System of Higher Education whose boundaries are included
2 in whole or in part in the tax increment area, other than revenues
3 from state appropriations and from student fees, and subject to any
4 covenants or restrictions in any instruments authorizing other
5 securities. Such an irrevocable dedication must be for the term of
6 the securities issued by the city and any securities refunding those
7 securities and may also extend for the term of the tax increment
8 area.

9 8. The city may delegate to the Board of Regents the authority
10 to issue any security other than a general obligation security which
11 the city is authorized to issue pursuant to this chapter, and in
12 connection therewith, may irrevocably dedicate to the Board of
13 Regents the revenues that are authorized pursuant to this chapter to
14 be pledged or used to repay those securities, including, without
15 limitation, all money in the tax increment account created pursuant
16 to subsection 5. The irrevocable dedication of any security pursuant
17 to this subsection must be for the term of the security issued by the
18 Nevada System of Higher Education and any security refunding
19 those securities and may also extend for the term of the tax
20 increment area.

21 9. If the boundaries of a county school district include a tax
22 increment area created pursuant to this section and the county
23 school district operates a public school on property within the
24 boundaries of that tax increment area, the county school district and
25 the Nevada System of Higher Education shall consult with one
26 another regarding funding for the operating costs of that public
27 school.

28 **Sec. 9.** NRS 278C.160 is hereby amended to read as follows:

29 278C.160 *Except as otherwise provided in section 3 of this*
30 *act:*

31 1. Whenever the governing body of a municipality is of the
32 opinion that the interests of the municipality and the public require
33 an undertaking, the governing body, by resolution, shall direct the
34 engineer to prepare:

35 (a) Preliminary plans and a preliminary estimate of the cost of
36 the undertaking, including, without limitation, all estimated
37 financing costs to be capitalized with the proceeds of the securities
38 issued by the municipality and all other estimated incidental costs
39 relating to the undertaking;

40 (b) A statement of the proposed tax increment area pertaining
41 thereto, the last finalized amount of the assessed valuation of the
42 taxable property in such area, and the amount of taxes, including in
43 such amount the sum of any unpaid taxes, whether or not
44 delinquent, resulting from the last taxation of the property, based



1 upon the records of the county assessor and the county treasurer;
2 and

3 (c) A statement of the estimated amount of the tax proceeds to
4 be credited annually to the tax increment account during the term of
5 the proposed securities payable therefrom.

6 2. The resolution must describe the undertaking in general
7 terms and must state:

8 (a) What portion of the expense of the undertaking will be paid
9 with the proceeds of securities issued by the municipality in
10 anticipation of tax proceeds to be credited to the tax increment
11 account and payable wholly or in part therefrom;

12 (b) How the remaining portion of the expense of the
13 undertaking, if any, is to be financed; and

14 (c) The basic security and any additional security for the
15 payment of securities of the municipality pertaining to the
16 undertaking.

17 3. The resolution must designate the tax increment area or its
18 location, so that the various tracts of taxable real property and any
19 taxable personal property can be identified and determined to be
20 within or without the proposed tax increment area, but need not
21 describe in minute detail each tract of real property proposed to be
22 included within the tax increment area.

23 4. The engineer shall file with the clerk the preliminary plans,
24 estimate of costs and statements.

25 5. Upon the filing of the preliminary plans, estimate of costs
26 and statements with the clerk, the governing body shall examine the
27 preliminary plans, estimate of costs and statements, and if the
28 governing body approves of the preliminary plans, estimate of costs
29 and statements, it shall by resolution provisionally order the
30 undertaking.

31 **Sec. 10.** NRS 278C.170 is hereby amended to read as follows:

32 278C.170 1. In the resolution making the provisional order,
33 the governing body shall set a time and place for a meeting to
34 consider the ordering of the undertaking and hear all complaints,
35 protests, objections and other relevant comments concerning the
36 undertaking that are made in accordance with subsection 2. The time
37 for the meeting must be at least 20 days after the date the governing
38 body adopts the resolution that provisionally orders the undertaking.

39 2. The Federal Government, the State, any public body, or any
40 natural person who resides in the municipality or owns taxable
41 personal or real property in the municipality, or any representative
42 of any such natural person or entity, may submit a complaint,
43 protest, objection or other comment about the undertaking before
44 the governing body. If such an entity or person desires to submit a
45 complaint, protest, objection or other comment about the



1 undertaking for consideration by the governing body, the entity or
2 person must:

3 (a) File a written complaint, protest, objection or other comment
4 about the undertaking with the clerk at least 3 days before the date
5 of the meeting described in subsection 1;

6 (b) Present an oral complaint, protest, objection or other
7 comment about the undertaking to the governing body at the
8 meeting described in subsection 1; or

9 (c) Present the complaint, protest, objection or other comment in
10 the manner required pursuant to paragraphs (a) and (b).

11 3. Notice of the meeting described in subsection 1 must be
12 given:

13 (a) To all persons on the list established pursuant to NRS
14 278C.180, by mailing;

15 (b) By posting; and

16 (c) By publication.

17 4. The notice must:

18 (a) Describe the undertaking and the project or projects relating
19 thereto without mentioning minor details or incidentals;

20 (b) State the preliminary estimate of the cost of the undertaking,
21 including all incidental costs, as stated in the preliminary plans,
22 estimate of costs and statements of the engineer filed with the clerk
23 pursuant to NRS 278C.160 **or section 3 of this act;**

24 (c) Describe the proposed tax increment area pertaining to the
25 undertaking, the last finalized amount of the assessed valuation of
26 the taxable property in the area, and the amount of taxes, including
27 in such amount the sum of any unpaid taxes, whether or not
28 delinquent, resulting from the last taxation of the property, based
29 upon the records of the county assessor and the county treasurer;

30 (d) State what portion of the expense of the undertaking will be
31 paid with the proceeds of securities issued by the municipality **or, if**
32 **the undertaking is pursuant to a cooperative agreement authorized**
33 **by section 3 of this act, by the joint board,** in anticipation of tax
34 proceeds to be credited to the tax increment account and payable
35 wholly or in part therefrom, and state the basic security and any
36 additional security for the payment of securities of the municipality
37 **or the joint board** pertaining to the undertaking;

38 (e) State how the remaining portion of the expense, if any, is to
39 be financed;

40 (f) State the estimated amount of the tax proceeds to be credited
41 annually to the tax increment account pertaining to the undertaking
42 during the term of the proposed securities payable from such
43 proceeds, and the estimated amount of any net revenues derived
44 annually from the operation of the project or projects pertaining to
45 the undertaking and pledged for the payment of those securities;



1 (g) State the estimated aggregate principal amount to be
2 borrowed by the issuance of the securities, excluding proceeds
3 thereof to fund or refund outstanding securities, and the estimated
4 total bond requirements of the securities;

5 (h) Find, determine and declare that the estimated tax proceeds
6 to be credited to the tax increment account and any such net pledged
7 revenues will be fully sufficient to pay the bond requirements of the
8 securities as they become due; and

9 (i) State the date, time and place of the meeting described in
10 subsection 1.

11 5. All proceedings may be modified or rescinded wholly or in
12 part by resolution adopted by the governing body at any time before
13 the governing body passes the ordinance ordering the undertaking
14 and creating the tax increment area and the tax increment account
15 pertaining thereto pursuant to NRS 278C.220.

16 6. Except as otherwise provided in this section, a public body
17 shall not make a substantial change in the undertaking, the
18 preliminary estimates, the proposed tax increment area or other
19 statements relating thereto after the first publication or posting of
20 notice or after the first mailing of notice to the property owners,
21 whichever occurs first, without additional notice and a hearing
22 pursuant to this section. A public body may delete a portion of the
23 undertaking and property from the proposed tax increment area
24 without notice and a hearing pursuant to this section. A subsequent
25 final determination of the amount of assessed valuation of taxable
26 property in the tax increment area or a subsequent levy of taxes does
27 not adversely affect proceedings taken pursuant to this chapter.

28 7. The engineer may make minor changes in and develop the
29 undertaking as to the time, plans and materials entering into the
30 undertaking at any time before its completion. Any minor changes
31 authorized by this subsection must be made a matter of public
32 record at a public meeting of the governing body.

33 **Sec. 11.** NRS 278C.250 is hereby amended to read as follows:

34 278C.250 1. After the effective date of the ordinance adopted
35 pursuant to NRS 278C.220, any taxes levied upon taxable property
36 in the tax increment area each year by or for the benefit of the State,
37 the municipality and any public body must be divided as follows:

38 (a) That portion of the taxes that would be produced by the rate
39 upon which the tax is levied each year by or for each of those taxing
40 agencies upon the total sum of the assessed value of the taxable
41 property in the tax increment area as shown upon the last equalized
42 assessment roll used in connection with the taxation of the property
43 by the taxing agency, must be allocated to and when collected must
44 be paid into the funds of the respective taxing agencies as taxes by
45 or for the taxing agencies on all other property are paid.



1 (b) Except as otherwise provided in this section, the portion of
2 the taxes levied each year in excess of the amount determined
3 pursuant to paragraph (a) must be allocated to, and when collected
4 must be paid into, the tax increment account pertaining to the
5 undertaking to pay the bond requirements of loans, money advanced
6 to, or indebtedness, whether funded, refunded, assumed or
7 otherwise, incurred by the municipality *or, if the undertaking is*
8 *pursuant to a cooperative agreement authorized by section 3 of*
9 *this act, by the joint board,* to finance or refinance, in whole or in
10 part, the undertaking. Unless the total assessed valuation of the
11 taxable property in the tax increment area exceeds the total assessed
12 value of the taxable property in the area as shown by the last
13 equalized assessment roll referred to in this subsection, all of the
14 taxes levied and collected upon the taxable property in the area must
15 be paid into the funds of the respective taxing agencies. When the
16 loans, advances and indebtedness, if any, and interest thereon, have
17 been paid, all money thereafter received from taxes upon the taxable
18 property in the tax increment area must be paid into the funds of the
19 respective taxing agencies as taxes on all other property are paid.

20 (c) The amount of the taxes levied each year which are paid into
21 the tax increment account pursuant to paragraph (b) must be limited
22 by the governing body to an amount not to exceed the combined
23 total amount required for annual debt service of the project or
24 projects acquired, improved or equipped, or any combination
25 thereof, as part of the undertaking.

26 (d) Any revenues generated within the tax increment district in
27 excess of the amount referenced in paragraph (c), if any, will be
28 paid into the funds of the respective taxing agencies in the same
29 proportion as their base amount was distributed.

30 2. Except as otherwise provided in this subsection, in any fiscal
31 year, the total revenue paid to a tax increment area in combination
32 with the total revenue paid to any other tax increment areas and any
33 redevelopment agencies of a municipality must not exceed:

34 (a) In a county whose population is 100,000 or more , *a group*
35 *of two or more counties which have entered into a cooperative*
36 *agreement authorized by section 3 of this act whose combined*
37 *population is 100,000 or more* or a city whose population is
38 150,000 or more, an amount equal to the combined tax rates of the
39 taxing agencies for that fiscal year multiplied by 10 percent of the
40 total assessed valuation of the municipality.

41 (b) In a county whose population is less than 100,000 , *a group*
42 *of two or more counties which have entered into a cooperative*
43 *agreement authorized by section 3 of this act whose combined*
44 *population is less than 100,000* or a city whose population is less
45 than 150,000, an amount equal to the combined tax rates of the



1 taxing agencies for that fiscal year multiplied by 15 percent of the
2 total assessed valuation of the municipality.

3 ↪ Notwithstanding the provisions of this subsection, if a county has
4 a population of less than 100,000 , *a group of two or more counties*
5 *which have entered into a cooperative agreement authorized by*
6 *section 3 of this act have a combined population of less than*
7 *100,000* or ~~100,000~~ a city has a population of less than 150,000 at the
8 time the municipality issues securities for a tax increment area
9 pursuant to NRS 278C.280, the revenue limitation set forth in
10 paragraph (b) must remain the revenue limitation for the tax
11 increment area until such time as the securities issued for that tax
12 increment area pursuant to NRS 278C.280 have been paid in full,
13 including any securities issued to refund those securities, regardless
14 of whether the population of the municipality *or group of counties*
15 reaches or exceeds 100,000 after the issuance of those securities.

16 3. If the revenue paid to a tax increment area must be limited
17 pursuant to paragraph (a) or (b) of subsection 2 and the municipality
18 has more than one redevelopment agency or tax increment area, or
19 one of each, the municipality shall determine the allocation to each
20 agency and area. Any revenue that would be allocated to a tax
21 increment area but for the provisions of this section must be paid
22 into the funds of the respective taxing agencies.

23 4. The portion of the taxes levied each year in excess of the
24 amount determined pursuant to paragraph (a) of subsection 1 which
25 is attributable to any tax rate levied by a taxing agency:

26 (a) To produce revenue in an amount sufficient to make annual
27 repayments of the principal of, and the interest on, any bonded
28 indebtedness that was approved by a majority of the registered
29 voters within the area of the taxing agency voting upon the question,
30 must be allocated to, and when collected must be paid into, the debt
31 service fund of that taxing agency.

32 (b) In excess of any tax rate of that taxing agency applicable to
33 the last taxation of the property before the effective date of the
34 ordinance, if that additional rate was approved by a majority of the
35 registered voters within the area of the taxing agency voting upon
36 the question, must be allocated to, and when collected must be paid
37 into, the appropriate fund of that taxing agency.

38 (c) Pursuant to NRS 387.3285 or 387.3287, if that rate was
39 approved by a majority of the registered voters within the area of the
40 taxing agency voting upon the question, must be allocated to, and
41 when collected must be paid into, the appropriate fund of that taxing
42 agency.

43 (d) For the support of the public schools within a county school
44 district pursuant to NRS 387.195, must be allocated to, and when



1 collected must be paid into, the appropriate fund of that taxing
2 agency.

3 5. The provisions of paragraph (a) of subsection 4 include,
4 without limitation, a tax rate approved for bonds of a county school
5 district issued pursuant to NRS 350.020, including, without
6 limitation, amounts necessary for a reserve account in the debt
7 service fund.

8 6. As used in this section, the term “last equalized assessment
9 roll” means the assessment roll in existence on the 15th day of
10 March immediately preceding the effective date of the ordinance.

11 **Sec. 12.** NRS 278C.280 is hereby amended to read as follows:

12 278C.280 1. To defray in whole or in part the cost of any
13 undertaking, a municipality *or, if the undertaking is pursuant to a*
14 *cooperative agreement authorized by section 3 of this act, the joint*
15 *board* may issue the following securities:

- 16 (a) Notes;
17 (b) Warrants;
18 (c) Interim debentures;
19 (d) Bonds; and
20 (e) Temporary bonds.

21 2. Any net revenues derived from the operation of a project
22 acquired, improved or equipped, or any combination thereof, as part
23 of the undertaking must be pledged for the payment of any securities
24 issued pursuant to this section. The securities must be made payable
25 from any such net pledged revenues as the bond requirements
26 become due from time to time by the bond ordinance, trust
27 indenture or other proceedings that authorize the issuance of the
28 securities or otherwise pertain to their issuance.

29 3. Securities issued pursuant to this section:

30 (a) Must be made payable from tax proceeds accounted for in
31 the tax increment account; and

32 (b) May, at the option of the municipality and if otherwise so
33 authorized by law, be made payable from the taxes levied by the
34 municipality against all taxable property within the municipality.

35 ➔ The municipality may also issue general obligation securities
36 other than the ones authorized by this chapter that are made payable
37 from taxes without also making the securities payable from any net
38 pledged revenues or tax proceeds accounted for in a tax increment
39 account, or from both of those sources of revenue.

40 4. Any securities payable only in the manner provided in either
41 paragraph (a) of subsection 3 or both subsection 2 and paragraph (a)
42 of subsection 3:

43 (a) Are special obligations of the municipality *or the joint board*
44 and are not in their issuance subject to any debt limitation imposed
45 by law;



1 (b) While they are outstanding, do not exhaust the debt incurring
2 power of the municipality; and

3 (c) May be issued under the provisions of the Local Government
4 Securities Law, except as otherwise provided in this chapter,
5 without any compliance with the provisions of NRS 350.020 to
6 350.070, inclusive, except as otherwise provided in the Local
7 Government Securities Law, only after the issuance of municipal
8 bonds is approved under the provisions of NRS 350.011 to
9 350.0165, inclusive.

10 5. Any securities payable from taxes in the manner provided in
11 paragraph (b) of subsection 3, regardless of whether they are also
12 payable in the manner provided in paragraph (a) of subsection 3 or
13 in both subsection 2 and paragraph (a) of subsection 3:

14 (a) Are general obligations of the municipality and are in their
15 issuance subject to such debt limitation;

16 (b) While they are outstanding, do exhaust the power of the
17 municipality to incur debt; and

18 (c) May be issued under the provisions of the Local Government
19 Securities Law only after the issuance of municipal bonds is
20 approved under the provisions of:

21 (1) NRS 350.011 to 350.0165, inclusive; or

22 (2) NRS 350.020 to 350.070, inclusive,

23 ↪ except for the issuance of notes or warrants under the Local
24 Government Securities Law that are payable out of the revenues for
25 the current year and are not to be funded with the proceeds of
26 interim debentures or bonds in the absence of such bond approval
27 under the two acts designated in subparagraphs (1) and (2).

28 6. In the proceedings for the advancement of money, or the
29 making of loans, or the incurrence of any indebtedness, whether
30 funded, refunded, assumed or otherwise, by the municipality *or*
31 *joint board* to finance or refinance, in whole or in part, the
32 undertaking, the portion of taxes mentioned in subsection 2 of NRS
33 278C.250 must be irrevocably pledged for the payment of the bond
34 requirements of the loans, advances or indebtedness. The provisions
35 in the Local Government Securities Law pertaining to net pledged
36 revenues are applicable to such a pledge to secure the payment of
37 tax increment bonds.

38 **Sec. 13.** NRS 278C.290 is hereby amended to read as follows:

39 278C.290 Any securities issued by a municipality *or, if the*
40 *securities are issued pursuant to a cooperative agreement*
41 *authorized by section 3 of this act, by a joint board* for a tax
42 increment area pursuant to this chapter must mature and be fully
43 paid, including any interest thereon, before the expiration of the tax
44 increment area.



1 **Sec. 14.** This act becomes effective on July 1, 2013.

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