

ASSEMBLY BILL NO. 417—COMMITTEE  
ON GOVERNMENT AFFAIRS

MARCH 25, 2013

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to redevelopment.  
(BDR 22-234)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to redevelopment; requiring the legislative body of each community in which a redevelopment area has been established to create a revolving loan account administered by the redevelopment agency; authorizing a redevelopment agency to use money in a revolving loan account to make loans at or below market rate to new or existing small businesses in the redevelopment area; setting forth certain requirements relating to loans made from a revolving loan fund; requiring a redevelopment agency to adopt certain regulations and prepare certain reports relating to loans of money from a revolving loan account; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 The Community Redevelopment Law (NRS 279.382-279.685) authorizes the  
2 city council, board of county commissioners or other legislative body of a city or  
3 county to declare the need for a redevelopment agency to function in the  
4 community. The Community Redevelopment Law grants a redevelopment agency  
5 certain powers and duties with regard to the elimination of blight in a  
6 redevelopment area in the community.  
7 **Sections 2-6** of this bill require the legislative body of a community to create a  
8 revolving loan account administered by the redevelopment agency. Money in the  
9 revolving loan account may be used by the agency only to make loans at or below  
10 market rate to new or existing small businesses in the redevelopment area. **Section**  
11 **2** defines a “small business” as a business that employs not more than 25 persons.  
12 **Section 4** sets forth certain requirements for the making of loans from the revolving  
13 loan account and provides that the term of a loan of money from the revolving loan



\* A B 4 1 7 \*

14 account must be 3 years or less. **Section 5** requires each redevelopment agency to  
15 adopt regulations prescribing: (1) the annual deadline for submission of an  
16 application for a loan from the revolving loan account; (2) the criteria for eligibility  
17 for a loan; (3) the contents of an application for a loan; (4) the maximum amount of  
18 a loan which may be made from the revolving loan account; and (5) the rate of  
19 interest for loans made from the revolving loan account. **Section 6** requires each  
20 redevelopment agency to make certain annual reports to the Legislature concerning  
21 loans of money from the revolving loan account.

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

1 **Section 1.** Chapter 279 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 6, inclusive, of this  
3 act.

4 **Sec. 2.** *As used in sections 2 to 6, inclusive, of this act,*  
5 *“small business” means a business that employs not more than 25*  
6 *persons.*

7 **Sec. 3. 1.** *Each legislative body shall create a revolving*  
8 *loan account in the treasury of the community. The account must*  
9 *be administered by the agency.*

10 **2.** *The money in a revolving loan account created pursuant to*  
11 *this section must be invested as money in other accounts in the*  
12 *treasury of the community is invested. All interest and income*  
13 *earned on the money in a revolving loan account must be credited*  
14 *to the account. Any money remaining in a revolving loan account*  
15 *at the end of a fiscal year does not revert to the general fund of the*  
16 *community, and the balance in the account must be carried*  
17 *forward.*

18 **3.** *All payments of principal and interest on loans made to a*  
19 *small business from a revolving loan account must be deposited*  
20 *with the treasurer of the community for credit to the account.*

21 **4.** *Claims against a revolving loan account must be paid as*  
22 *other claims against the agency are paid.*

23 **5.** *An agency may accept gifts, grants, bequests and donations*  
24 *from any source for deposit in the revolving loan account.*

25 **Sec. 4. 1.** *After deducting the costs directly related to*  
26 *administering a revolving loan account created pursuant to*  
27 *section 3 of this act, an agency may use the money in the account,*  
28 *including repayments of principal and interest on loans made*  
29 *from the account, and interest and income earned on money in the*  
30 *account, only to make loans at or below market rate to small*  
31 *businesses located within the redevelopment area or persons*  
32 *wishing to locate or relocate a new small business in the*  
33 *redevelopment area for the costs incurred:*



1 (a) In expanding or improving an existing small business,  
2 including, without limitation, costs incurred for remodeling; or

3 (b) In locating or relocating a small business in the  
4 redevelopment area.

5 2. The term of any loan that may be made from the revolving  
6 loan account must be 3 years or less.

7 **Sec. 5. 1.** A small business located in a redevelopment area  
8 or a person who wishes to locate or relocate a new small business  
9 in a redevelopment area may submit an application to the agency  
10 for a loan from the revolving loan account created pursuant to  
11 section 3 of this act. An application must include a written  
12 description of the manner in which the loan will be used.

13 2. An agency shall, within the limits of money available for  
14 use in the revolving loan account, make loans to small businesses  
15 and persons whose applications have been approved. If an agency  
16 makes a loan from the revolving loan account, the agency shall  
17 ensure that the contract for the loan includes all terms and  
18 conditions for repayment of the loan.

19 3. Each agency:

20 (a) Shall adopt regulations that prescribe:

21 (1) The annual deadline for submission to the agency of an  
22 application for a loan from the revolving loan account;

23 (2) The criteria for eligibility for a loan from the revolving  
24 loan account;

25 (3) The contents of an application for a loan from the  
26 revolving loan account, which must include, without limitation:

27 (I) A description of the business history of the applicant;

28 (II) A description of the income history of the applicant;

29 (III) A copy of the business plan of the applicant;

30 (IV) A description of the contributions of the applicant  
31 to the revitalization of the redevelopment area; and

32 (V) A statement of whether any money from the loan  
33 will be used by the applicant to maintain or create any jobs;

34 (4) The maximum amount of a loan which may be made  
35 from the revolving loan account; and

36 (5) The rate of interest for loans made from the revolving  
37 loan account.

38 (b) May adopt such other regulations as it deems necessary to  
39 carry out the provisions of sections 2 to 6, inclusive, of this act.

40 **Sec. 6.** For each fiscal year beginning with Fiscal Year  
41 2013-2014 and ending with Fiscal Year 2016-2017, each agency in  
42 this State shall prepare a written report of the loans made from the  
43 revolving loan account created pursuant to section 3 of this act,  
44 which must include, without limitation, information concerning  
45 the amount of each loan made from the revolving loan account,



1 *the terms of each loan and a description of the small businesses*  
2 *which have received loans from the account. The agency shall, on*  
3 *or before November 30 of each year, submit a copy of the report to*  
4 *the Director of the Legislative Counsel Bureau for transmittal to*  
5 *the Legislature, or if the Legislature is not in session, to the*  
6 *Legislative Commission.*

7 **Sec. 7.** NRS 279.382 is hereby amended to read as follows:

8 279.382 The provisions contained in NRS 279.382 to 279.685,  
9 inclusive, *and sections 2 to 6, inclusive, of this act* may be cited as  
10 the Community Redevelopment Law.

11 **Sec. 8.** NRS 279.384 is hereby amended to read as follows:

12 279.384 As used in NRS 279.382 to 279.685, inclusive, *and*  
13 *sections 2 to 6, inclusive, of this act*, unless the context otherwise  
14 requires, the words and terms defined in NRS 279.386 to 279.414,  
15 inclusive, have the meanings ascribed to them in those sections.

16 **Sec. 9.** NRS 279.386 is hereby amended to read as follows:

17 279.386 “Agency” means a redevelopment agency created  
18 under NRS 279.382 to 279.685, inclusive, *and sections 2 to 6,*  
19 *inclusive, of this act* or a legislative body which has elected to  
20 exercise the powers granted to an agency under NRS 279.382 to  
21 279.685, inclusive *†, and sections 2 to 6, inclusive, of this act.*

22 **Sec. 10.** NRS 279.410 is hereby amended to read as follows:

23 279.410 “Redevelopment area” means an area of a community  
24 whose redevelopment is necessary to effectuate the public purposes  
25 declared in NRS 279.382 to 279.685, inclusive *†, and sections 2*  
26 *to 6, inclusive, of this act.*

27 **Sec. 11.** NRS 279.428 is hereby amended to read as follows:

28 279.428 An agency shall not transact any business or exercise  
29 any powers under NRS 279.382 to 279.685, inclusive, *and sections*  
30 *2 to 6, inclusive, of this act* unless, by resolution, the legislative  
31 body declares that there is need for an agency to function in the  
32 community.

33 **Sec. 12.** NRS 279.444 is hereby amended to read as follows:

34 279.444 1. As an alternative to the appointment of five  
35 members of the agency pursuant to NRS 279.440 and as an  
36 alternative to the procedures set forth in NRS 279.443, the  
37 legislative body may, at the time of the adoption of a resolution  
38 pursuant to NRS 279.428, or at any time thereafter, declare itself to  
39 be the agency, in which case, all the rights, powers, duties,  
40 privileges and immunities vested by NRS 279.382 to 279.685,  
41 inclusive, *and sections 2 to 6, inclusive, of this act* in an agency are  
42 vested in the legislative body of the community. If the legislative  
43 body of a city declares itself to be the agency pursuant to this  
44 subsection, it may include the mayor of the city as part of the



1 agency regardless of whether the mayor is a member of the  
2 legislative body.

3 2. A city may enact its own procedural ordinance and exercise  
4 the powers granted by NRS 279.382 to 279.685, inclusive **H**, and  
5 *sections 2 to 6, inclusive, of this act.*

6 3. An agency may delegate to a community any of the powers  
7 or functions of the agency with respect to the planning or  
8 undertaking of a redevelopment project in the area in which that  
9 community is authorized to act, and that community may carry out  
10 or perform those powers or functions for the agency.

11 **Sec. 13.** NRS 279.462 is hereby amended to read as follows:  
12 279.462 An agency may:

13 1. Sue and be sued.

14 2. Have a seal.

15 3. Make and execute contracts and other instruments necessary  
16 or convenient to the exercise of its powers.

17 4. Make, amend and repeal bylaws and regulations not  
18 inconsistent with, and to carry into effect, the powers and purposes  
19 of NRS 279.382 to 279.685, inclusive **H**, and *sections 2 to 6,*  
20 *inclusive, of this act.*

21 5. Obtain, hire, purchase or rent office space, equipment,  
22 supplies, insurance and services.

23 6. Authorize and pay the travel expenses of agency members,  
24 officers, agents, counsel and employees on agency business.

25 **Sec. 14.** 1. This act becomes effective upon passage and  
26 approval.

27 2. Section 6 of this act expires by limitation on December 31,  
28 2017.

