
SENATE BILL NO. 47—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE CITY OF HENDERSON)

PREFILED DECEMBER 20, 2014

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to the Consolidated Local Improvements Law. (BDR 22-421)

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 local improvements; authorizing the creation of an improvement district to acquire, operate and maintain a waterfront project; removing the provision that a commercial area vitalization project is limited to an area zoned primarily for business or commercial purposes and deleting the statutory references to such a project; authorizing the governing body of a municipality to acquire, improve, operate and maintain a neighborhood improvement project for the beautification and improvement of an area without regard to its zoning; expanding the applicability of provisions authorizing a special assessment within an improvement district located in a redevelopment area; authorizing the use of money in a surplus and deficiency fund for the payment of certain additional costs; increasing the amount of money subject to transfer to such a fund after the outstanding indebtedness of an improvement district has been paid; revising provisions for the collection of unpaid assessments and the modification of an improvement project; and providing other matters properly relating thereto.



Legislative Counsel's Digest:

1 Existing law authorizes the governing body of any county, city or
2 unincorporated town to create an improvement district for the acquisition, operation
3 and maintenance of certain projects, including a park project, street project or
4 commercial area vitalization project, and to finance the cost of any project through
5 the issuance of bonds and the levy of assessments upon property in the
6 improvement district. (NRS 271.265, 271.270, 271.325) **Sections 1 and 5** of this
7 bill authorize the creation of an improvement district for the acquisition, operation
8 and maintenance of a waterfront project.

9 Under existing law, a commercial area vitalization project entails the
10 beautification and improvement of an area zoned primarily for business or
11 commercial purposes. (NRS 271.063) **Section 3** of this bill revises the definition of
12 "commercial area vitalization project" to eliminate this zoning restriction, so that a
13 "neighborhood improvement project" may be established in any area of the
14 improvement district. **Sections 4-14, 16 and 17** of this bill make conforming
15 changes by eliminating the existing statutory references to a commercial area
16 vitalization project and replacing them with references to a neighborhood
17 improvement project.

18 If an improvement district is proposed for a commercial area vitalization
19 project or an existing district is proposed to be modified to expand the area subject
20 to assessment, existing law permits the owners and occupants of residential
21 property to protest the assessment of their property for the project. (NRS 271.297,
22 271.305, 271.392) In view of the elimination of the zoning restriction described
23 above, **sections 10, 11 and 17** eliminate the right of an owner or occupant of
24 residential property to file a protest based solely on the residential nature of the
25 property.

26 For an improvement district located in a redevelopment area, existing law
27 authorizes the governing body to levy one or more special assessments for the
28 extraordinary maintenance, repair and improvement of the project for which the
29 district has been created. However, the applicability of this provision is limited to
30 an improvement district located in any county whose population is 100,000 or more
31 but less than 700,000 (currently Washoe County). (NRS 271.3695) **Section 15** of
32 this bill removes the population cap to make this provision also applicable in any
33 county whose population is 700,000 or more (currently Clark County).

34 When the outstanding indebtedness of an improvement district has been paid,
35 existing law provides for the use and distribution of any surplus money remaining
36 in the fund established for the district's debt service. After the reimbursement of
37 certain payments and a retention for the administrative costs of returning the
38 surplus, a portion of any remaining money must be deposited in a surplus and
39 deficiency fund, with any balance refunded to the owners of the assessed property.
40 (NRS 271.428, 271.429) **Sections 18 and 19** of this bill, respectively, expand the
41 authorized uses of money in the surplus and deficiency fund and increase the
42 amount of money to be set aside for that fund before any surplus is refunded.

43 Although a lien arises for unpaid assessments made for the benefit of any
44 improvement district, existing law establishes different procedures for the
45 collection of assessments owed to a county, city or town, according to the nature of
46 the municipality. When adopting an ordinance authorizing the levy of assessments,
47 the governing body of the municipality must authorize the treasurer to reduce or
48 waive for good cause the collection of certain penalties and interest. Assessments
49 owed to a county are collected by the county treasurer in the same manner as
50 general property taxes owed to the county, while assessments owed to a city or
51 town are collected by the municipal treasurer in accordance with a separate
52 statutory process. (NRS 271.445, 271.585, 361.450) **Section 20** of this bill requires
53 the governing body of a municipality to make certain findings in order to reduce or
54 waive the collection of any unpaid interest on the assessment. **Sections 27-29.5** of



55 this bill set forth a process whereby a municipality may collect unpaid assessments
56 and all related interest, penalties and costs if the property which is the subject of the
57 unpaid assessments, interest, penalties and costs is sold by the county treasurer.

58 **Sections 22 and 23** of this bill change the procedure for modifying a project by
59 revising, among other things, the requirements for public notice of the proposed
60 modification.

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 a new section to read as follows:

3 1. *“Waterfront project” means any improvement to:*

4 (a) *Public property that is located along the shore of a public*
5 *body of water; or*

6 (b) *Areas within or under a public body of water.*

7 2. *The term includes, without limitation, restrooms, fishing*
8 *sites, boardwalks, decks, boat ramps, utilities, facilities for*
9 *controlling drainage, parking facilities, lighting, dredging for boat*
10 *ways, erosion protection, environmental mitigation, landscaping,*
11 *sidewalks, benches, bulkheads, retaining walls, pumping and*
12 *excavation, and all appurtenances and incidentals thereto.*

13 **Sec. 2.** NRS 271.030 is hereby amended to read as follows:

14 271.030 As used in this chapter, unless the context otherwise
15 requires, the words and terms defined in NRS 271.035 to 271.250,
16 inclusive, *and section 1 of this act* have the meanings ascribed to
17 them in those sections.

18 **Sec. 3.** NRS 271.063 is hereby amended to read as follows:

19 271.063 [~~“Commercial area vitalization”~~] *“Neighborhood*
20 *improvement project”* includes:

21 1. The beautification and improvement of the public portions
22 of any area, [~~zoned primarily for business or commercial purposes,~~]
23 including, without limitation:

24 (a) Public restrooms;

25 (b) Facilities for outdoor lighting and heating;

26 (c) Decorations;

27 (d) Fountains;

28 (e) Landscaping;

29 (f) Facilities or equipment, or both, to enhance protection of
30 persons and property within the improvement district;

31 (g) Ramps, sidewalks and plazas; and

32 (h) Rehabilitation or removal of existing structures; and

33 2. The improvement of an area [~~zoned primarily for business or~~]
34 [~~commercial purposes~~] by providing promotional activities.



1 **Sec. 4.** NRS 271.125 is hereby amended to read as follows:
2 271.125 “Improvement” or “improve” means the extension,
3 widening, lengthening, betterment, alteration, reconstruction, repair
4 or other improvement (or any combination thereof) of facilities,
5 other property, any project, or an interest therein, herein authorized,
6 including, without limitation, conducting promotional activities
7 within an improvement district created for a ~~commercial area~~
8 ~~vitalization~~ **neighborhood improvement** project.

9 **Sec. 5.** NRS 271.265 is hereby amended to read as follows:
10 271.265 1. The governing body of a county, city or town,
11 upon behalf of the municipality and in its name, without any
12 election, may from time to time acquire, improve, equip, operate
13 and maintain, within or without the municipality, or both within and
14 without the municipality:

- 15 (a) A ~~commercial area vitalization project;~~
- 16 ~~—(b) A~~ curb and gutter project;
- 17 ~~[(e)] (b)~~ A drainage project;
- 18 ~~[(d)] (c)~~ An energy efficiency improvement project;
- 19 **(d) A neighborhood improvement project;**
- 20 (e) An off-street parking project;
- 21 (f) An overpass project;
- 22 (g) A park project;
- 23 (h) A public safety project;
- 24 (i) A renewable energy project;
- 25 (j) A sanitary sewer project;
- 26 (k) A security wall;
- 27 (l) A sidewalk project;
- 28 (m) A storm sewer project;
- 29 (n) A street project;
- 30 (o) A street beautification project;
- 31 (p) A transportation project;
- 32 (q) An underpass project;
- 33 (r) A water project;
- 34 **(s) A waterfront project;** and
- 35 ~~[(s)] (t)~~ Any combination of such projects.

36 2. In addition to the power specified in subsection 1, the
37 governing body of a city having a commission form of government
38 as defined in NRS 267.010, upon behalf of the municipality and in
39 its name, without any election, may from time to time acquire,
40 improve, equip, operate and maintain, within or without the
41 municipality, or both within and without the municipality:

- 42 (a) An electrical project;
- 43 (b) A telephone project;
- 44 (c) A combination of an electrical project and a telephone
45 project;



1 (d) A combination of an electrical project or a telephone project
2 with any of the projects, or any combination thereof, specified in
3 subsection 1; and

4 (e) A combination of an electrical project and a telephone
5 project with any of the projects, or any combination thereof,
6 specified in subsection 1.

7 3. In addition to the power specified in subsections 1 and 2, the
8 governing body of a municipality, on behalf of the municipality and
9 in its name, without an election, may finance an underground
10 conversion project with the approval of each service provider that
11 owns the overhead service facilities to be converted.

12 4. In addition to the power specified in subsections 1, 2 and 3,
13 if the governing body of a municipality in a county whose
14 population is less than 700,000 complies with the provisions of NRS
15 271.650, the governing body of the municipality, on behalf of the
16 municipality and in its name, without any election, may from time to
17 time acquire, improve, equip, operate and maintain, within or
18 without the municipality, or both within and without the
19 municipality:

20 (a) An art project; and

21 (b) A tourism and entertainment project.

22 **Sec. 6.** NRS 271.280 is hereby amended to read as follows:

23 271.280 1. Whenever the governing body of a municipality
24 determines to form an improvement district to conduct any project,
25 the engineer shall prepare and file with the clerk:

26 (a) Preliminary plans showing:

27 (1) A typical section of the contemplated improvement.

28 (2) The type or types of material, approximate thickness and
29 wideness.

30 (3) A preliminary estimate of the cost of the project,
31 including incidental costs.

32 (b) An assessment plat showing:

33 (1) The area to be assessed.

34 (2) Except as otherwise provided in NRS 271.378, the
35 amount of maximum benefits estimated to be assessed against each
36 tract in the assessment area.

37 (c) If a resolution of the governing body does not otherwise
38 provide, the information required pursuant to the provisions of
39 subsections 2 to 7, inclusive.

40 ➤ The governing body is not required to employ the services of an
41 appraiser to estimate or to assist the engineer in estimating the
42 benefits to be derived from the project.

43 2. The preliminary plans may provide for one or more types of
44 construction, and the engineer shall separately estimate the cost of
45 each type of construction. The estimate may be made in a lump sum



1 or by unit prices, as the engineer determines is most desirable for the
2 improvement complete in place.

3 3. A resolution or document prepared by the engineer pursuant
4 to subsection 1 must describe the project in general terms.

5 4. The resolution or document must state:

6 (a) What part or portion of the expense of the project is of
7 special benefit and therefore is to be paid by assessments.

8 (b) What part, if any, has been or is proposed to be defrayed
9 with money derived from other than the levy of assessments.

10 (c) The basis by which the cost will be apportioned and
11 assessments levied.

12 5. If the assessment is not to be made according to front feet,
13 the resolution or document must:

14 (a) By apt description designate the improvement district,
15 including the tracts to be assessed.

16 (b) Describe definitely the location of the project.

17 (c) State that the assessment is to be made upon all the tracts
18 benefited by the project proportionately to the benefits received.

19 6. If the assessment is to be upon the abutting property upon a
20 frontage basis, it is sufficient for the resolution or document so to
21 state and to define the location of the project to be made.

22 7. It is not necessary in any case to describe minutely in the
23 resolution or document each particular tract to be assessed, but
24 simply to designate the property, improvement district or the
25 location, so that the various parts to be assessed can be ascertained
26 and determined to be within or without the proposed improvement
27 district.

28 8. If the preliminary plans include a ~~commercial-area~~
29 ~~vitalization~~ *neighborhood improvement* project, then in addition to
30 the other requirements in this section, before the plans are ratified
31 by the governing body, the plans must include a plan for the
32 management of the proposed improvement district which must
33 include, without limitation:

34 (a) The improvements proposed for each year of the first 5 fiscal
35 years of the proposed improvement district;

36 (b) An estimate of the total amount to be expended on
37 improvements in the first year of operation;

38 (c) A list of any other special assessments that are currently
39 being levied within the proposed improvement district;

40 (d) The name of any proposed association; and

41 (e) Any other matter that the governing body requires to be set
42 forth in the plan.

43 9. Upon the filing of the plans, plat and, if the engineer
44 prepares a document pursuant to paragraph (c) of subsection 1, the
45 document prepared by the engineer pursuant to paragraph (c) of



1 subsection 1, they must be examined by the governing body. If
2 the plans, plat and document, if any, are found to be satisfactory, the
3 governing body shall make a provisional order by resolution to the
4 effect that the project will be acquired or improved, or both acquired
5 and improved.

6 **Sec. 7.** NRS 271.285 is hereby amended to read as follows:

7 271.285 1. Except as otherwise provided in subsection 2,
8 whenever the owner or owners of lands to be assessed for not less
9 than 90 percent of the entire cost of any project, including all
10 incidental expenses, constituting at least $66 \frac{2}{3}$ percent in frontage,
11 in area or other property basis used for the computation of
12 assessments as therein provided, as the case may be, by written
13 petition, initiates the acquisition of any project which the governing
14 body is authorized to initiate, subject to the following limitations:

15 (a) Except as otherwise provided in subsection 7 of NRS
16 271.325, the governing body may incorporate such project in any
17 improvement district or districts.

18 (b) The governing body need not proceed with the acquisition of
19 any such project or any part thereof after holding a hearing thereon,
20 pursuant to NRS 271.310, and all provisions thereof thereunto
21 enabling, if the governing body shall determine that it is not for the
22 public interest that the proposed project, or a part thereof, be then
23 ordered to be made.

24 (c) Any particular kind of project, or any material therefor, or
25 any part thereof, need not be acquired or located, as provided in the
26 petition, if the governing body shall determine that such is not for
27 the public interest.

28 (d) The governing body need not take any proceedings or action
29 upon receiving any such petition, if the governing body shall
30 thereupon determine by resolution that the acquisition of the
31 designated project probably is not feasible for a reason or reasons
32 stated in such resolution, and if the resolution requires a cash
33 deposit or a pledge of property in at least an amount or value therein
34 designated and found therein by the governing body probably to be
35 sufficient to defray the expenses and costs incurred by the
36 municipality taken preliminary to and in the attempted acquisition of
37 the project designated in the petition, and if such deposit or pledge is
38 not made with the treasurer within 20 days after one publication in a
39 newspaper of general circulation in the municipality of a notice of
40 the resolution's adoption and of its content in summary form. An
41 additional deposit or pledge may from time to time be similarly so
42 required as a condition precedent to the continuation of action by the
43 municipality. Whenever such deposit or pledge is so made and
44 thereafter the governing body shall determine that such acquisition
45 is not feasible within a reasonable period of time, the governing



1 body may require that all or any portion of the costs theretofore
2 incurred in connection therewith by the municipality after its receipt
3 of the petition shall be defrayed from such deposit or the proceeds
4 of such pledged property in the absence of such defrayment of costs
5 by petitioners or other interested persons within 20 days after the
6 determination by resolution of the amount so to be defrayed and
7 after such published notice thereof.

8 2. A petition signed by owners of tracts constituting at least
9 one-half of the basis used for computation of assessments is
10 sufficient to initiate procedures for acquiring or improving a
11 ~~[commercial area vitalization]~~ *neighborhood improvement* project.
12 A petition for acquiring or improving a ~~[commercial area~~
13 ~~vitalization]~~ *neighborhood improvement* project must be
14 accompanied by a plan describing proposed improvements and a
15 proposed assessment plat when submitted to the governing body.

16 **Sec. 8.** NRS 271.290 is hereby amended to read as follows:

17 271.290 1. Except as otherwise expressly provided or
18 necessarily implied in this section or in NRS 271.285, upon the
19 filing of such a petition, the governing body shall proceed in the
20 same manner as is provided for hereby where proceedings are
21 initiated by the governing body.

22 2. Upon the filing of a petition for the acquisition or
23 improvement of a ~~[commercial area vitalization]~~ *neighborhood*
24 *improvement* project, the governing body shall hold a public
25 hearing on the petition. At least 20 days before the public hearing,
26 the governing body shall:

27 (a) Mail notice of the hearing to each owner of real property
28 within the proposed improvement district and to each tenant who
29 resides or owns a business located within the proposed improvement
30 district; and

31 (b) Publish notice of the hearing in a newspaper of general
32 circulation in the municipality,
33 ↪ describing the purpose and general location of the proposed
34 improvement district, and the date, time and place of the proposed
35 public hearing.

36 3. At the public hearing, any owner of real property or tenant
37 who resides or owns a business located within the proposed district
38 for a ~~[commercial area vitalization]~~ *neighborhood improvement*
39 project may present, orally or in writing, the reasons why he or she
40 believes that:

41 (a) The petition does not contain a sufficient number of qualified
42 signatures; or

43 (b) The finding required by subsection 4 cannot reasonably be
44 made with respect to any part of the proposed improvement district.



1 4. After consideration of any objections made at the hearing,
2 and of any other information reasonably known to it, the governing
3 body must, as a condition precedent to the initiation of the
4 procedure for acquiring or improving a ~~[commercial—area~~
5 ~~vitalization]~~ *neighborhood improvement* project, find that the
6 public interest will benefit by the provision of the proposed
7 improvements within that part of the municipality. In making this
8 determination, the governing body shall consider the differences it
9 finds between the municipality as a whole and the territory within
10 and adjacent to the proposed improvement district.

11 **Sec. 9.** NRS 271.296 is hereby amended to read as follows:

12 271.296 1. The governing body may, by resolution, dissolve
13 an improvement district that is created for the purposes of a
14 ~~[commercial—area—vitalization]~~ *neighborhood improvement* project
15 if property owners whose property is assessed for a combined total
16 of more than 50 percent of the total amount of the assessments of all
17 the property in the improvement district submit a written petition to
18 the governing body that requests the dissolution of the district
19 within the period prescribed in subsection 2.

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

22 (a) The first anniversary of the date the improvement district
23 was created; and

24 (b) Each subsequent anniversary thereafter.

25 3. As soon as practicable after the receipt of the written petition
26 of the property owners submitted pursuant to subsection 1, the
27 governing body shall pass a resolution of intention to dissolve the
28 improvement district. The governing body shall give notice of a
29 hearing on the dissolution. The notice must be provided and the
30 hearing must be held pursuant to the requirements set forth in NRS
31 271.377. If the governing body determines that dissolution of
32 the improvement district is appropriate, it shall dissolve the
33 improvement district by resolution, effective not earlier than the
34 30th day after the hearing.

35 4. If there is indebtedness, outstanding and unpaid, incurred to
36 accomplish any of the purposes of the improvement district, the
37 portion of the assessment necessary to pay the indebtedness remains
38 effective and must be continued in the following years until the debt
39 is paid.

40 **Sec. 10.** NRS 271.297 is hereby amended to read as follows:

41 271.297 An association with which a governing body contracts
42 pursuant to NRS 271.332 may, at any time, request that the
43 governing body modify a plan or plat with regard to the
44 ~~[commercial—area—vitalization]~~ *neighborhood improvement* project.
45 Upon the written request of the association, the governing body may



1 modify the plan or plat by ordinance after holding a hearing on the
2 proposed modification pursuant to NRS 271.377. If the proposed
3 modification of a plat expands the territory for assessment, a person
4 who owns or resides within a tract which is located within the
5 territory proposed to be added to the improvement district ~~[and
6 which is used exclusively for residential purposes]~~ may file a protest
7 pursuant to NRS 271.392 at any time before the governing body
8 modifies the plat by ordinance. A petition is not required for a
9 modification made pursuant to this section.

10 **Sec. 11.** NRS 271.305 is hereby amended to read as follows:

11 271.305 1. In the provisional order the governing body shall
12 set a time, at least 20 days thereafter, and a place at which the
13 owners of the tracts to be assessed, or any other interested persons,
14 may appear before the governing body and be heard as to the
15 propriety and advisability of acquiring or improving, or acquiring
16 and improving, the project or projects provisionally ordered. If a
17 mobile home park is located on one or more of the tracts to be
18 assessed, the notice must be given to the owner of the tract and each
19 tenant of that mobile home park.

20 2. Notice must be given:

21 (a) By publication.

22 (b) By mail.

23 (c) By posting.

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

25 4. Proof of mailing and proof of posting must be by affidavit of
26 the engineer, clerk, or any deputy mailing the notice and posting the
27 notice, respectively.

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

32 6. The notice may be prepared by the engineer and ratified by
33 the governing body, and, except as otherwise provided in subsection
34 7, must state:

35 (a) The kind of project proposed.

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

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

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

44 (e) The maximum rate of interest on unpaid installments of
45 assessments.



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

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

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

8 (i) If the project is not a ~~commercial area vitalization~~
9 **neighborhood improvement** project, that pursuant to NRS 271.306,
10 if a majority of the property owners to be assessed for a project
11 proposed by a governing body object in writing within the time
12 stated in paragraph (h), the project must not be acquired or
13 improved unless:

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

17 (2) The project constitutes not more than 2,640 feet,
18 including intersections, remaining unimproved in any street,
19 including an alley, between improvements already made to either
20 side of the same street or between improvements already made to
21 intersecting streets.

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

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

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

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

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

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

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

44 (n) If the project is a ~~commercial area vitalization~~
45 **neighborhood improvement** project, that:



1 (1) A person who owns or resides within a tract in the
2 proposed improvement district ~~[and which is used exclusively for~~
3 ~~residential purposes]~~ may file a protest to inclusion in the
4 assessment plat pursuant to NRS 271.392; and

5 (2) Pursuant to NRS 271.306, if written remonstrances by the
6 owners of tracts constituting one-third or more of the basis for the
7 computation of assessments for the ~~[commercial area vitalization]~~
8 *neighborhood improvement* project are presented to the governing
9 body, the governing body shall not proceed with the ~~[commercial~~
10 ~~area vitalization]~~ *neighborhood improvement* project.

11 7. The notice need not state either or both of the exceptions
12 stated in subsection 2 of NRS 271.306 unless either or both of the
13 exceptions are determined by the governing body or the engineer to
14 be relevant to the proposed improvement district to which the notice
15 appertains.

16 8. All proceedings may be modified or rescinded wholly or in
17 part by resolution adopted by the governing body, or by a document
18 prepared by the engineer and ratified by the governing body, at any
19 time before the passage of the ordinance adopted pursuant to NRS
20 271.325, creating the improvement district, and authorizing the
21 project.

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

26 (a) As otherwise provided in NRS 271.640 to 271.646,
27 inclusive; or

28 (b) For the deletion of a portion of a project and property from
29 the proposed program and improvement district or any assessment
30 unit.

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

33 11. If the ordinance is for a ~~[commercial area vitalization]~~
34 *neighborhood improvement* project, notice sent pursuant to this
35 section must be sent by mail to each person who owns real property
36 which is located within the proposed improvement district and to
37 each tenant who resides or owns a business located within the
38 proposed improvement district.

39 **Sec. 12.** NRS 271.306 is hereby amended to read as follows:

40 271.306 1. Regardless of the basis used for apportioning
41 assessments, the amount apportioned to a wedge or V or any other
42 irregularly shaped tract must be in proportion to the special benefits
43 thereby derived.

44 2. Except as otherwise provided in subsections 3 and 4, if,
45 within the time specified in the notice, complaints, protests and



1 objections in writing, that is, all written remonstrances, against
2 acquiring or improving the project proposed by initiation of the
3 governing body are filed with the clerk, signed by the owners of
4 tracts constituting a majority of the frontage, of the area, of the zone,
5 or of the other basis for the computation of assessments, as the case
6 may be, of the tracts to be assessed in the improvement district or in
7 the assessment unit if the improvement district is divided into
8 assessment units, the project therein must not be acquired or
9 improved unless:

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

13 (b) The project constitutes not more than 2,640 feet, including
14 intersections, remaining unimproved in any street, including an
15 alley, between improvements already made to either side of the
16 same street or between improvements already made to intersecting
17 streets. In this case the governing body may on its own motion cause
18 the intervening and unimproved part of the street to be improved.
19 Such improvements will not be stayed or defeated or prevented by
20 written complaints, protests and objections thereto, unless the
21 governing body in its sole discretion, deems such written
22 complaints, protests and objections proper to cause the improvement
23 to be stayed or prevented.

24 3. Written remonstrances by the owners of tracts constituting
25 50 percent of the basis for the computation of assessments suffice to
26 preclude the acquisition or improvement of a street beautification
27 project.

28 4. Written remonstrances by the owners of tracts constituting at
29 least one-third of the basis for the computation of assessments
30 suffice to preclude the acquisition or improvement of a ~~[commercial~~
31 ~~area-vitalization]~~ *neighborhood improvement* project. For the
32 purposes of this subsection, the property of a single owner may not
33 be counted as constituting more than 10 percent of the basis.

34 **Sec. 13.** NRS 271.325 is hereby amended to read as follows:

35 271.325 1. When an accurate estimate of cost, full and
36 detailed plans and specifications and map are prepared, are
37 presented and are satisfactory to the governing body, it shall, by
38 resolution, make a determination that:

39 (a) Public convenience and necessity require the creation of the
40 district; and

41 (b) The creation of the district is economically sound and
42 feasible.

43 ↪ This determination may be made part of the ordinance creating
44 the district adopted pursuant to subsection 2 and is conclusive in the
45 absence of fraud or gross abuse of discretion.



1 2. The governing body may, by ordinance, create the district
2 and order the proposed project to be acquired or improved. This
3 ordinance may be adopted and amended as if an emergency existed.

4 3. The ordinance must prescribe:

5 (a) The extent of the improvement district to be assessed, by
6 boundaries or other brief description, and similarly of each
7 assessment unit therein, if any.

8 (b) The kind and location of each project proposed, without
9 mentioning minor details.

10 (c) The amount or proportion of the total cost to be defrayed by
11 assessments, the method of levying assessments, the number of
12 installments and the times in which the costs assessed will be
13 payable.

14 (d) The character and extent of any construction units.

15 4. The engineer may further revise the cost, plans and
16 specifications and map from time to time for all or any part of any
17 project, and the ordinance may be appropriately amended. Except as
18 otherwise provided in NRS 271.640 to 271.646, inclusive, such
19 amendment must take place before letting any construction contract
20 therefor and before any work being done other than by independent
21 contract let by the municipality.

22 5. The ordinance, if amended, must order the work to be done
23 as provided in this chapter.

24 6. Upon adoption or amendment of the ordinance, the
25 governing body shall cause to be recorded in the office of the county
26 recorder a certified copy of a list of the tracts to be assessed and the
27 amount of maximum benefits estimated to be assessed against each
28 tract in the assessment area, as shown on the assessment plat as
29 revised and approved by the governing body pursuant to NRS
30 271.320. Neither the failure to record the list as provided in this
31 subsection nor any defect or omission in the list regarding any
32 parcel or parcels to be included within the district affects the validity
33 of any assessment, the lien for the payment thereof or the priority of
34 that lien.

35 7. The governing body may not adopt an ordinance creating or
36 modifying the boundaries of an improvement district for a
37 ~~[commercial area vitalization]~~ *neighborhood improvement* project
38 if the boundaries of the improvement district overlap an existing
39 improvement district created for a ~~[commercial area vitalization]~~
40 *neighborhood improvement* project.

41 **Sec. 14.** NRS 271.332 is hereby amended to read as follows:

42 271.332 1. A governing body that forms an improvement
43 district for a ~~[commercial area vitalization]~~ *neighborhood*
44 *improvement* project may contract with a nonprofit association to
45 provide the improvements that are specified in the plans for the



1 ~~[commercial area vitalization]~~ *neighborhood improvement* project.
2 If creation of the ~~[commercial]~~ improvement district was initiated by
3 petition, the governing body shall contract for that purpose with the
4 association named in the plan for management of the improvement
5 district.

6 2. An association with which a governing body contracts
7 pursuant to subsection 1 must be a private nonprofit corporation and
8 must be identified in the plan for management of the improvement
9 district. The association shall maintain liability insurance covering
10 its activities.

11 3. The contract between the governing body and the
12 association is a contract for professional services and is not subject
13 to the limitations of subsection 1 of NRS 354.626. The terms of the
14 contract may extend:

15 (a) Beyond the terms of office of members of the governing
16 body; and

17 (b) For the time necessary to cover the life of improvements and
18 to fulfill financial commitments for equipment, services and related
19 undertakings.

20 4. The association does not become a political subdivision,
21 local government, public body, governmental agency or entity,
22 establishment of the government, public corporation or quasi-public
23 corporation for any purpose solely on the basis of a contract entered
24 into with a governing body pursuant to subsection 1.

25 5. A contract executed pursuant to this section must ensure that
26 the type and level of services provided by the municipality at the
27 time of the creation of the improvement district continue after the
28 improvement district is formed.

29 **Sec. 15.** NRS 271.3695 is hereby amended to read as follows:

30 271.3695 1. In a county whose population is 100,000 or more
31 , ~~[but less than 700,000,]~~ on or before June 30 of each year after the
32 levy of an assessment within an improvement district located in a
33 redevelopment area selected pursuant to NRS 279.524 to pay, in
34 whole or in part, the costs and expenses of constructing or
35 substantially reconstructing a project, the governing body may
36 prepare and approve an estimate of the expenditures required during
37 the ensuing year for the extraordinary maintenance, repair and
38 improvement of the project.

39 2. The governing body may adopt a resolution, after a public
40 hearing, determining to levy and collect in any year upon and
41 against all of the assessable property within the district a special
42 assessment sufficient to raise a sum of money not to exceed the
43 amount estimated pursuant to subsection 1 for the extraordinary
44 maintenance, repair and improvement of the project. Notice of the



1 hearing must be given, and the hearing conducted, in the manner
2 specified in NRS 271.305.

3 3. The special assessment must be levied, collected and
4 enforced at the same time, in the same manner, by the same officers
5 and with the same interest and penalties as other special assessments
6 levied pursuant to this chapter. The proceeds of the assessment must
7 be placed in a separate fund of the municipality and expended only
8 for the extraordinary maintenance, repair or improvement of the
9 project.

10 4. As used in this section, "extraordinary maintenance, repair
11 and improvement" includes all expenses ordinarily incurred not
12 more than once every 5 years to keep the project in a fit operating
13 condition. Expenses which are ordinarily incurred more than once
14 every 5 years may be included only if the governing body expressly
15 finds that the expenses must be incurred in order to maintain the
16 level of benefit to the assessed parcels and that the level of benefit
17 would otherwise decline more rapidly than usual because of special
18 circumstances relating to the project for which the assessment is
19 levied, including its use, location or operation and other
20 circumstances. If the governing body makes such a finding, a
21 statement of that finding must be included in the notice given
22 pursuant to subsection 2.

23 **Sec. 16.** NRS 271.377 is hereby amended to read as follows:

24 271.377 1. On or before June 30 of each year after the
25 governing body acquires or improves a ~~commercial-area~~
26 ~~vitalization~~ *neighborhood improvement* project, the governing
27 body shall prepare or cause to be prepared an estimate of the
28 expenditures required in the ensuing fiscal year and a proposed
29 assessment roll assessing an amount not greater than the estimated
30 cost against the benefited property. The assessment must be
31 computed according to frontage or another uniform and quantifiable
32 basis.

33 2. The governing body shall hold a public hearing upon the
34 estimate of expenditures and the proposed assessment roll. Notice
35 must be given and the hearing conducted in the manner provided in
36 NRS 271.380 and 271.385. The assessment may not exceed the
37 amount stated in the proposed assessment roll unless a new hearing
38 is held after notice is mailed and published in the manner provided
39 in NRS 271.305 and 271.310.

40 3. After the public hearing, the governing body shall confirm
41 the assessments, as specified in the proposed assessment roll or as
42 modified, and levy the assessment as provided in NRS 271.390.

43 4. An improvement district created for a ~~commercial-area~~
44 ~~vitalization~~ *neighborhood improvement* project is not entitled to
45 any distribution from the local government tax distribution account.



Sec. 17. NRS 271.392 is hereby amended to read as follows:

271.392 1. Before a proposed assessment plat for a ~~commercial area vitalization~~ *neighborhood improvement* project is adopted by ordinance, a person who owns or resides within a tract which ~~is~~:

~~(a) Is~~ *is* located within the proposed improvement district ~~;~~ *and*

~~(b) Is used exclusively for residential purposes,~~

~~may~~ file with the clerk a written protest to the inclusion of the tract in the assessment plat. The protest must be accompanied by a legal description of the tract.

2. Upon receipt of a protest pursuant to subsection 1, the clerk shall provide a copy of the protest and legal description of the property to the governing body.

3. Before adopting a resolution or ordinance pursuant to NRS 271.325 and before adopting an ordinance that modifies an assessment plat for a ~~commercial area vitalization~~ *neighborhood improvement* project to include additional tracts of land, the governing body shall modify the assessment plat ~~for a commercial area vitalization project~~ to exclude any tract for which it received a protest pursuant to this section and which it determines will not benefit from the activities or improvements that are proposed to be provided by the ~~commercial area vitalization~~ *neighborhood improvement* project.

Sec. 18. NRS 271.428 is hereby amended to read as follows:

271.428 1. When all outstanding bonds, principal, interest and prior redemption premiums, if any, of such a district have been paid and any surplus amounts remain in the fund established pursuant to NRS 271.490 to the credit of the district, the surplus after the payment of valid claims for refund, if any, must be transferred to a surplus and deficiency fund. The governing body may at any time, by resolution or ordinance, authorize the deposit of any money otherwise available to the surplus and deficiency fund.

2. Amounts in the surplus and deficiency fund may be used by the governing body to pay costs incurred in connection with:

(a) The issuance of refunding bonds pursuant to NRS 271.488; ~~or~~

(b) Collecting delinquent assessments pursuant to NRS 271.445 and 271.540 to 271.630, inclusive ~~;~~

(c) Refunding, pursuant to NRS 271.429, the surplus amounts in the special fund created for the district pursuant to NRS 271.490;

(d) Legal fees or other costs that relate to an improvement district; or

(e) Modifying a project pursuant to NRS 271.640 to 271.646, inclusive.



1 3. Whenever there is a deficiency in any fund established
2 pursuant to NRS 271.490 for the payment of the bonds and interest
3 thereon for any improvement district created pursuant to former
4 NRS 244A.193 or pursuant to NRS 271.325 or 318.070, the
5 deficiency must first be paid out of the surplus and deficiency fund
6 to the extent of the money available in the fund before any payment
7 is made out of the general fund of the municipality as provided by
8 NRS 271.495.

9 4. Amounts in the surplus and deficiency fund which exceed
10 10 percent of the principal amount of outstanding bonds of the
11 municipality for all improvement districts created pursuant to
12 former NRS 244A.193 or pursuant to NRS 271.325 or 318.070 at
13 the end of each fiscal year may be used:

14 (a) To make up deficiencies in any assessment which proves
15 insufficient to pay for the cost of the project or work for which the
16 assessment has been levied.

17 (b) To advance amounts for the cost of any project or work in
18 any district created pursuant to any of these sections.

19 (c) To provide for the payment of assessments levied against, or
20 attributable to, property owned by the municipality or the Federal
21 Government.

22 5. At the end of each fiscal year any excess amount described
23 in subsection 4 may be transferred to the general fund of the
24 municipality as the governing body directs by resolution.

25 **Sec. 19.** NRS 271.429 is hereby amended to read as follows:

26 271.429 1. Except as otherwise provided in subsection 2,
27 when all outstanding bonds, principal, interest and prior redemption
28 premiums, if any, of a district have been paid, surplus amounts
29 remaining in the special fund created for that district pursuant to
30 NRS 271.490 must be refunded as follows:

31 (a) If amounts have been advanced from the general fund of the
32 municipality as required by NRS 271.495 for the payment of any
33 bonds or interest thereon of such district, those amounts must first
34 be returned to the general fund of the municipality.

35 (b) If a surplus and deficiency fund has been established
36 pursuant to NRS 271.428, and amounts have been advanced from
37 the surplus and deficiency fund for the payment of bonds or interest
38 thereon of such district, those amounts must be returned to the
39 surplus and deficiency fund.

40 (c) The treasurer shall thereupon determine the amount
41 remaining in the fund created for the district pursuant to NRS
42 271.490 and deduct therefrom the amount of administrative costs of
43 returning that surplus and any other administrative costs incurred by
44 the municipality related to the improvement district or the project
45 which have not been otherwise reimbursed. An amount equal to the



1 actual administrative costs must be returned to the fund from which
2 the administrative costs were paid.

3 (d) If the remaining surplus is ~~[\$25,000]~~ \$50,000 or less, that
4 amount must be deposited to the surplus and deficiency fund.

5 (e) If the remaining surplus is more than ~~[\$25,000,]~~ \$50,000, the
6 treasurer shall:

7 (1) Deposit ~~[\$25,000]~~ \$50,000 in the surplus and deficiency
8 fund;

9 (2) Apportion the amount of the surplus in excess of
10 ~~[\$25,000]~~ \$50,000 among the tracts of land assessed in the district;
11 and

12 (3) Report this apportionment to the governing body.

13 (f) Upon the approval of this apportionment by the governing
14 body, the treasurer shall thereupon give notice by mail and by
15 publication of the availability of the surplus for refund.

16 (g) The notice must also state that the owner or owners of record
17 on the date specified by the notice of each tract of land which was
18 assessed may request the refund of the surplus apportioned to that
19 tract by filing a claim therefor with the treasurer within 60 days after
20 the date of the mailing of the notice. Thereafter claims for such
21 refunds are perpetually barred.

22 (h) Surplus amounts, if any, remaining after the payment of all
23 valid claims filed with the treasurer within the 60-day period must
24 be transferred to the surplus and deficiency fund.

25 (i) Valid claims for refund filed in excess of the surplus
26 available for each separate tract may be apportioned ratably among
27 the claimants by the treasurer.

28 2. Subsection 1 does not apply to change or alter the
29 distribution of any surplus pursuant to a written agreement that was
30 entered into by a district on or before June 18, 1993.

31 **Sec. 20.** NRS 271.445 is hereby amended to read as follows:

32 271.445 1. When any assessment is so levied by ordinance
33 against property, including, without limitation, property owned by a
34 person or property owned by this State or any political subdivision
35 of this State, and is payable, the governing body shall direct:

36 (a) The clerk to report to the county assessor a description of
37 such tracts as are contained in the roll, with the amount of the
38 assessment levied upon each and the name of the owner or occupant
39 against whom the assessment was made.

40 (b) The municipal treasurer or the county treasurer to collect the
41 several sums so assessed.

42 2. If the municipal treasurer has been directed to collect unpaid
43 assessments, the amount so levied in the assessment roll against
44 property, including, without limitation, property owned by a person
45 or property owned by this State or any political subdivision of this



1 State, shall be collected and enforced, both before and after
2 delinquency, in the manner provided in NRS 271.540 to 271.625,
3 inclusive, except as otherwise provided in the ordinance levying the
4 assessments.

5 3. If the county treasurer has been directed to collect unpaid
6 assessments, the amount so levied in the assessment roll against
7 property, including, without limitation, property owned by a person
8 or property owned by this State or any political subdivision of this
9 State, shall be collected and enforced, both before and after
10 delinquency, by the county treasurer and other county officers ~~[as~~
11 ~~provided by law.]~~ with the other taxes in the general assessment roll
12 of the county, *as provided by law* and in the same manner, except as
13 otherwise provided in the ordinance levying the assessments.

14 4. Such amounts shall continue to be a lien upon the tracts
15 assessed until paid, as provided in NRS 271.420.

16 5. When such amount is collected, it shall be credited to the
17 proper funds.

18 6. The assessment roll and the certified ordinance levying the
19 assessment shall be prima facie evidence of the regularity of the
20 proceedings in making the assessment and of the right to recover
21 judgment therefor.

22 7. The ordinance authorizing the levy of assessments must
23 allow the governing body to authorize the treasurer to reduce or
24 waive for good cause the collection of any penalties assessed
25 pursuant to subsection 4 of NRS 271.415 and any interest incurred
26 pursuant to NRS 271.585. *If the ordinance does not authorize such*
27 *a reduction or waiver, the governing body may, by resolution,*
28 *grant authority to the treasurer to reduce or waive the collection of*
29 *any interest incurred pursuant to NRS 271.585 relating to property*
30 *for which the municipal clerk is the custodian of the certificate for*
31 *the property pursuant to NRS 271.575 if the governing body*
32 *makes a finding that the reduction or waiver will not cause the*
33 *improvement district to have insufficient money to pay any*
34 *principal and interest for the improvement district that are payable*
35 *from the assessments.*

36 **Sec. 21.** (Deleted by amendment.)

37 **Sec. 22.** NRS 271.6415 is hereby amended to read as follows:

38 271.6415 1. After receipt of the report required pursuant to
39 NRS 271.641, the governing body may, by ordinance and without a
40 protest hearing, modify the project, the assessments on each tract in
41 the improvement project, the assessment installments and the due
42 dates of the assessment installments as provided in the report
43 pursuant to the provisions of this section if:

44 (a) The governing body determines that the public convenience
45 and necessity require the modification;



1 (b) The *report prepared and filed by the engineer pursuant to*
2 *NRS 271.641 states that the modified portion of the project, as*
3 *modified, is functionally equivalent to that portion of the project*
4 *before modification;*

5 (c) *The estimated cost of the modified portion of the project, as*
6 *modified, is not greater than the original cost of that portion of the*
7 *project before modification;*

8 (d) *The* owner of each tract in the improvement district which is
9 proposed to have its assessment ~~[modified or which derives benefits~~
10 ~~from the portion of the project proposed to be eliminated or~~
11 ~~modified or from the additions proposed to be made to the project]~~
12 *increased* has filed written consent to the modification with the
13 clerk ~~[and there are no residential lots within 1,500 feet of the~~
14 ~~portion of the project impacted;~~

15 ~~—(c) There has been filed with the clerk:~~

16 ~~——(1) Evidence that the modification has been consented to by~~
17 ~~the owners of the bonds for the improvement district which are~~
18 ~~payable from the assessments in the manner as provided in the~~
19 ~~ordinance or in the indenture, fiscal agent agreement, resolution or~~
20 ~~other instrument pursuant to which the bonds are issued; or~~

21 ~~——(2) An opinion from independent bond counsel stating that~~
22 ~~the modification does not materially and adversely affect the~~
23 ~~interests of the owners of the bonds; and~~

24 ~~—(d)};~~

25 (e) *The aggregate amount of the assessments on the tracts in*
26 *the improvement district remains the same; and*

27 (f) The governing body determines that, upon modification of
28 the project and, if applicable, the assessments, the amount assessed
29 against each tract in the improvement district does not exceed the
30 maximum special benefits to be derived by each such tract from the
31 project.

32 2. A determination that is made pursuant to this section is
33 conclusive in the absence of fraud or gross abuse of discretion.

34 3. An ordinance adopted pursuant to this section may be
35 adopted as if an emergency existed.

36 **Sec. 23.** NRS 271.642 is hereby amended to read as follows:

37 271.642 1. After receipt of the report required pursuant to
38 NRS 271.641, if the governing body does not proceed pursuant to
39 NRS 271.6415, the governing body may make a provisional order
40 by resolution to the effect that the project will be modified.

41 2. In a provisional order made pursuant to subsection 1, the
42 governing body shall set a time, at least 20 days thereafter, and a
43 place at which the owner of each tract in the improvement district,
44 or any other interested person, may appear before the governing
45 body and be heard as to the propriety and advisability of modifying



1 the project and, if applicable, the assessments, the assessment
2 installments and the due dates of the assessment installments. If
3 there are *permanent* residential ~~[lots within 1,500 feet of the~~
4 ~~project]~~ *dwelling units in the improvement district* or a mobile
5 home park is located on a tract in the improvement district, the
6 notice must be given to the owner ~~[of the tract and each owner of a~~
7 ~~residential lot within 1,500 feet]~~ *of each such dwelling unit, the*
8 *owner of the tract on which the mobile home park is located* and
9 each tenant of the mobile home park ~~[]~~, *as applicable.*

10 3. Notice must be given:

11 (a) By publication.

12 (b) By mail.

13 (c) By posting.

14 4. Proof of publication must be by affidavit of the publisher.

15 5. Proof of mailing and proof of posting must be by affidavit of
16 the engineer, clerk, or any deputy mailing the notice and posting the
17 notice, respectively.

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

22 7. The notice must be prepared by the engineer, ratified by the
23 governing body and state:

24 (a) In general terms, the proposed modification of the project.

25 (b) The estimated cost of the project, as modified, and the
26 amount by which that cost is greater or less than the original cost of
27 the project, as reflected in the ordinance creating the improvement
28 district and ordering the project to be acquired or improved.

29 (c) The time and place of the hearing where the governing body
30 will consider all objections to the modification of the project and, if
31 applicable, the assessments, the assessment installments and the due
32 dates of the assessment installments.

33 (d) That all written objections to the modification of the project
34 and, if applicable, the assessments, the assessment installments and
35 the due dates of the assessment installments must be filed with the
36 clerk at least 3 days before the time set for the hearing.

37 (e) That if the owners of tracts in the improvement district
38 which:

39 (1) Are proposed to have assessments modified or which
40 derive benefits from the portion of the project proposed to be
41 eliminated or changed or from the additions proposed to be made to
42 the project; and

43 (2) Upon the modification of the project and, if applicable,
44 the assessments, will in the aggregate have assessments greater than
45 50 percent of the aggregate amount of the assessments on the tracts



1 in the improvement district which are proposed to have assessments
2 modified or which derive benefits from the portion of the project
3 proposed to be eliminated or changed or from the additions
4 proposed to be made to the project,

5 ↪ object in writing, within the time stated in paragraph (d), to such
6 modification of the project and, if applicable, the assessments, the
7 assessment installments and the due dates of the installments will
8 not be made.

9 (f) That if the assessment on any tract is increased as a result of
10 the modification of the project, the modification of the project and,
11 if applicable, the assessments, the assessment installments and the
12 due dates of the assessment installments will not be made unless the
13 owner of each such tract has consented in writing to the increase.

14 (g) That the modification of the project and, if applicable, the
15 assessments, the assessment installments and the due dates of the
16 assessment installments will not be made unless there has been filed
17 with the clerk:

18 (1) Evidence that the modification is consented to:

19 (I) By the owners of the bonds for the improvement
20 district which are payable from the assessments; and

21 (II) In the same manner as amendments to the ordinance
22 creating the improvement district and ordering the project to be
23 acquired or improved, as provided in the ordinance or in the
24 indenture, fiscal agent agreement, resolution or other instrument
25 pursuant to which the bonds are issued; or

26 (2) An opinion from an independent bond counsel stating
27 that the modification does not materially adversely affect the
28 interests of the owners of the bonds.

29 (h) That all proceedings regarding and records of the following
30 are available for inspection at the office of the clerk:

31 (1) The amount of maximum special benefits estimated to be
32 derived from the project, as modified, by each tract in the
33 improvement district;

34 (2) If applicable, the modified assessment on each tract in the
35 improvement district resulting from the modification of the project;
36 and

37 (3) If applicable, the modified assessment installments and
38 the due dates of the assessment installments.

39 (i) That a person may object to the modification of the project
40 and, if applicable, the assessments, the assessment installments and
41 the due dates of the assessment installments using the procedure
42 outlined in the notice.

43 (j) That if a person objects to the amount of maximum special
44 benefits estimated to be derived from the project, as modified, or to
45 the legality of the proposed modification in any respect:



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

3 (2) Any evidence the person wants to present must be
4 presented at the hearing; and

5 (3) Evidence that is not presented at the hearing may not be
6 presented in an action brought pursuant to NRS 271.6435.

7 8. No substantial change in the proposed modification of the
8 project or, if applicable, the assessments, the assessment
9 installments or the due dates of the assessment installments may be
10 made after the first publication, posting or mailing of notice to
11 property owners, whichever occurs first.

12 **Sec. 24.** NRS 271A.020 is hereby amended to read as follows:

13 271A.020 ~~Except~~ *As used in this chapter, except* as
14 otherwise provided in NRS 271A.030 to 271A.060, inclusive, and
15 unless the context otherwise requires, the words and terms defined
16 in NRS 271.035 to 271.250, inclusive, *and section 1 of this act* and
17 271A.030 to 271A.060, inclusive, have the meanings ascribed to
18 them in those sections.

19 **Sec. 25.** (Deleted by amendment.)

20 **Sec. 26.** (Deleted by amendment.)

21 **Sec. 27.** NRS 361.585 is hereby amended to read as follows:

22 361.585 1. When the time allowed by law for the redemption
23 of a property described in a certificate has expired and no
24 redemption has been made, the tax receiver who issued the
25 certificate, or his or her successor in office, shall execute and deliver
26 to the county treasurer a deed of the property in trust for the use and
27 benefit of the State and county and any officers having fees due
28 them.

29 2. The county treasurer and his or her successors in office,
30 upon obtaining a deed of any property in trust under the provisions
31 of this chapter, shall hold that property in trust until it is sold or
32 otherwise disposed of pursuant to the provisions of this chapter.

33 3. Notwithstanding the provisions of NRS 361.595 or 361.603,
34 at any time during the 90-day period specified in NRS 361.603, or
35 not later than 5 p.m. on the third business day before the day of the
36 sale by a county treasurer, as specified in the notice required by
37 NRS 361.595, of any property held in trust by him or her by virtue
38 of any deed made pursuant to the provisions of this chapter, any
39 person specified in subsection 4 is entitled to have the property
40 reconveyed upon the receipt by the county treasurer of payment by
41 or on behalf of that person of an amount equal to the taxes accrued,
42 together with any costs, penalties and interest legally chargeable
43 against the property. A reconveyance may not be made after
44 expiration of the 90-day period specified in NRS 361.603.



1 4. Property may be reconveyed pursuant to subsection 3 to one
2 or more of the persons specified in the following categories, or to
3 one or more persons within a particular category, as their interests
4 may appear of record:

5 (a) The owner.

6 (b) The beneficiary under a note and deed of trust.

7 (c) The mortgagee under a mortgage.

8 (d) The creditor under a judgment.

9 (e) The person to whom the property was assessed.

10 (f) The person holding a contract to purchase the property before
11 its conveyance to the county treasurer.

12 (g) The Director of the Department of Health and Human
13 Services if the owner has received or is receiving any benefits from
14 Medicaid.

15 (h) The successor in interest of any person specified in this
16 subsection.

17 *(i) A municipality that holds a lien against the property.*

18 5. The provisions of this section apply to land held in trust by a
19 county treasurer on or after April 17, 1971.

20 **Sec. 28.** NRS 361.595 is hereby amended to read as follows:

21 361.595 1. Any property held in trust by any county treasurer
22 by virtue of any deed made pursuant to the provisions of this chapter
23 may be sold and conveyed in the manner prescribed in this section
24 and in NRS 361.603 or conveyed without sale as provided in
25 NRS 361.604.

26 2. If the property is to be sold, the board of county
27 commissioners may make an order, to be entered on the record of its
28 proceedings, directing the county treasurer to sell the property
29 particularly described therein, after giving notice of sale, for a total
30 amount not less than the amount of the taxes, costs, penalties and
31 interest legally chargeable against the property as stated in the order.

32 3. Notice of the sale must specify the day, time and place of the
33 sale and be:

34 (a) Posted in at least three public places in the county, including
35 one at the courthouse and one on the property, not less than 20 days
36 before the day of sale or, in lieu of such a posting, by publication of
37 the notice at least once a week for 4 consecutive weeks by four
38 weekly insertions in some newspaper published within the county,
39 the first publication being at least 22 days before the day of the sale,
40 if the board of county commissioners so directs.

41 (b) Mailed by certified mail, return receipt requested, not less
42 than 90 days before the day of the sale, to the owner of the parcel as
43 shown on the tax roll and to any person or governmental entity that
44 appears in the records of the county to have a lien or other interest in
45 the property. If the receipt is returned unsigned, the county treasurer



1 must make a reasonable attempt to locate and notify the owner or
2 other person or governmental entity before the sale.

3 4. ~~[Upon compliance with such an order the]~~ *Except as*
4 *otherwise provided in subsection 5, the* county treasurer shall make,
5 execute and deliver to any purchaser, upon payment to the county
6 treasurer, as trustee, of a consideration not less than that specified in
7 the order, a quitclaim deed, discharged of any trust of the property
8 mentioned in the order.

9 5. *If, not later than 5 p.m. on the third business day*
10 *immediately preceding the day of the sale by the county treasurer,*
11 *a municipality provides the county treasurer with an affidavit*
12 *signed by the treasurer of the municipality stating that:*

13 (a) *The municipality sold the property or the property was*
14 *stricken off to the municipality pursuant to NRS 271.560; and*

15 (b) *A certificate of sale for the property was issued to the*
16 *purchaser pursuant to NRS 271.570 or to the municipality*
17 *pursuant to NRS 271.560,*

18 *↳ the county treasurer may not issue the quitclaim deed described*
19 *in subsection 4 unless the person who purchased the property*
20 *from the county pays to the municipality any amount owed*
21 *pursuant to the certificate of sale issued pursuant to NRS 271.560*
22 *and 271.570 and the municipality provides an affidavit signed by*
23 *the treasurer of the municipality stating that such amounts have*
24 *been paid. If the purchaser does not pay the amount owed to the*
25 *municipality within 20 days after the sale of the property by*
26 *the county, the sale of the property by the county is void and the*
27 *county treasurer may retain for administrative costs not more than*
28 *10 percent of the purchase amount paid by the purchaser.*

29 6. Before delivering ~~[any such]~~ a deed, the county treasurer
30 shall record the deed at the expense of the purchaser.

31 ~~[6.]~~ 7. All ~~[such]~~ deeds ~~[,]~~ *issued pursuant to this section,*
32 whether issued before, on or after July 1, 1955, are primary
33 evidence:

34 (a) Of the regularity of all proceedings relating to the order of
35 the board of county commissioners, the notice of sale and the sale of
36 the property; and

37 (b) That, if the real property was sold to pay taxes on personal
38 property, the real property belonged to the person liable to pay the
39 tax.

40 ~~[7.]~~ 8. No ~~[such]~~ deed may be executed and delivered by the
41 county treasurer until he or she files at the expense of the purchaser,
42 with the clerk of the board of county commissioners, proper
43 affidavits of posting and of publication of the notice of sale, as the
44 case may be, together with his or her return of sale, verified,
45 showing compliance with the order of the board of county



1 commissioners, which constitutes primary evidence of the facts
2 recited therein.

3 ~~18.1~~ **9.** If the deed when regularly issued is not recorded in the
4 office of the county recorder, the deed, and all proceedings relating
5 thereto, is void as against any subsequent purchaser in good faith
6 and for a valuable consideration of the same property, or any portion
7 thereof, when his or her own conveyance is first recorded.

8 ~~19.1~~ **10.** The board of county commissioners shall provide its
9 clerk with a record book in which must be indexed the name of each
10 purchaser, together with the date of sale, a description of the
11 property sold, a reference to the book and page of the minutes of the
12 board of county commissioners where the order of sale is recorded,
13 and the file number of the affidavits and return.

14 **Sec. 29.** (Deleted by amendment.)

15 **Sec. 29.5.** NRS 361.610 is hereby amended to read as follows:

16 361.610 1. Out of the sale price or rents of any property of
17 which he or she is trustee, the county treasurer shall pay the costs
18 due any officer for the enforcement of the tax upon the parcel of
19 property and all taxes owing thereon, and upon the redemption of
20 any property from the county treasurer as trustee, he or she shall pay
21 the redemption money over to any officers having fees due them
22 from the parcels of property and pay the tax for which it was sold
23 and pay the redemption percentage according to the proportion those
24 fees respectively bear to the tax.

25 2. In no case may:

26 (a) Any service rendered by any officer under this chapter
27 become or be allowed as a charge against the county; or

28 (b) The sale price or rent or redemption money of any one parcel
29 of property be appropriated to pay any cost or tax upon any other
30 parcel of property than that so sold, rented or redeemed.

31 3. After paying all the tax and costs upon any one parcel of
32 property, the county treasurer shall pay into the general fund of the
33 county, from the excess proceeds of the sale:

34 (a) The first \$300 of the excess proceeds; and

35 (b) Ten percent of the next \$10,000 of the excess proceeds.

36 4. The amount remaining after the county treasurer has paid the
37 amounts required by subsection 3 must be deposited in an interest-
38 bearing account maintained for the purpose of holding excess
39 proceeds separate from other money of the county. If no claim is
40 made for the excess proceeds within 1 year after the deed given by
41 the county treasurer is recorded, the county treasurer shall pay the
42 money into the general fund of the county, and it must not thereafter
43 be refunded to the former property owner or his or her successors in
44 interest. All interest paid on money deposited in the account
45 required by this subsection is the property of the county.



1 5. If a person who would have been entitled to receive
2 reconveyance of the property pursuant to NRS 361.585 makes a
3 claim in writing for the excess proceeds within 1 year after the deed
4 is recorded, the county treasurer shall pay the claim or the proper
5 portion of the claim over to the person if the county treasurer is
6 satisfied that the person is entitled to it.

7 6. A claim for excess proceeds must be paid out in the
8 following order of priority to:

9 (a) The persons specified in paragraphs (b), (c), (d), (g) , ~~and~~
10 (h) **and (i)** of subsection 4 of NRS 361.585 in the order of priority
11 of the recorded liens; and

12 (b) Any person specified in paragraphs (a), (e) and (f) of
13 subsection 4 of NRS 361.585.

14 7. The county treasurer shall approve or deny a claim within 30
15 days after the period described in subsection 4 for filing a claim has
16 expired. Any records or other documents concerning a claim shall
17 be deemed the working papers of the county treasurer and are
18 confidential. If more than one person files a claim, and the county
19 treasurer is not able to determine who is entitled to the excess
20 proceeds, the matter must be submitted to mediation.

21 8. If the mediation is not successful, the county treasurer shall:

22 (a) Conduct a hearing to determine who is entitled to the excess
23 proceeds; or

24 (b) File an action for interpleader.

25 9. A person who is aggrieved by a determination of the county
26 treasurer pursuant to this section may, within 90 days after the
27 person receives notice of the determination, commence an action for
28 judicial review of the determination in district court.

29 10. Any agreement to locate, deliver, recover or assist in the
30 recovery of remaining excess proceeds of a sale which is entered
31 into by a person who would have been entitled to receive
32 reconveyance of the property pursuant to subsection 4 of NRS
33 361.585 must:

34 (a) Be in writing.

35 (b) Be signed by the person who would have been entitled to
36 receive reconveyance.

37 (c) Not provide for a fee of more than 10 percent of the total
38 remaining excess proceeds of the sale due that person.

39 11. In addition to authorizing a person pursuant to an
40 agreement described in subsection 10 to file a claim and collect
41 from the county treasurer any property owed to the person, a person
42 described in subsection 4 of NRS 361.585 may authorize a person
43 pursuant to a power of attorney, assignment or any other legal
44 instrument to file a claim and collect from the county treasurer any
45 property owed to him or her. The county is not liable for any losses



1 resulting from the approval of the claim if the claim is paid by the
2 county treasurer in accordance with the provisions of the legal
3 instrument.

4 **Sec. 30.** 1. For any improvement district formed before
5 July 1, 2015, and conducting a commercial area vitalization project
6 on that date, the amendatory provisions of this act shall not be
7 deemed to:

8 (a) Dissolve the improvement district.

9 (b) Impair the authority of the governing body with respect to
10 the project.

11 (c) Affect any assessment levied to pay any indebtedness:

12 (1) Incurred for the project before July 1, 2015; and

13 (2) Remaining unpaid on that date.

14 2. As used in this section, "commercial area vitalization
15 project" has the meaning ascribed to it in NRS 271.063, as that
16 section existed before July 1, 2015.

17 **Sec. 31.** This act becomes effective on July 1, 2015.

