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April 1, 2003

Via Facsimile 702-464-2611

Las Vegas Redevelopment Agency
c/o Mark Vincent
City of Las Vegas
400 East Stewart Avenue
Las Vegas, NV 89101

SB 308

Dear Mark:

We have reviewed the provisions of Senate Bill 308, 2003 Nevada Legislative Session ("SB 308") in particular, application of SB 308 to bonds and other obligations issued by the Las Vegas Redevelopment Agency (the "Agency") under Ch. 279 of Nevada Revised Statutes ("Ch. 279" and "NRS" respectively). We have also reviewed certain provisions of the United States and Nevada Constitution which prohibit the passage of laws which impair contracts.

CONCLUSION

Our review of SB 308 and the "impairment" clauses of the United States and Nevada Constitutions lead us to conclude that, if enacted and implemented as drafted, SB 308 would likely be held to be an act that impaired the contract between the Agency and the holders of the Agency's Bonds and therefore likely would be unconstitutional as applied to those bonds. *

DISCUSSION

SB 308. SB 308 provides for a diversion to the State of Nevada of a portion of the property taxes levied by taxing agencies (the "taxing agencies") including, cities, towns, school districts, counties, the state and other political subdivisions. The amount diverted from the taxing agencies to the State is determined by examining the assessed valuation in a county for fiscal year 2002-2003, multiply that assessed value by an inflation factor, and comparing the result to the assessed valuation of the county in the fiscal year in which a calculation is made. If the assessed valuation of the county for the fiscal year in which the calculation is made is greater than the assessed valuation, adjusted by the inflation factor, for fiscal year 2002 - 2003, a portion of the taxes levied by the taxing agencies on this difference (such difference, as adjusted by the inflation factor, is herein the "SB 308 Incremental Assessed Value"), with certain exceptions, is diverted to the State of Nevada rather than going to the taxing agencies. The portion diverted to the State of Nevada is 50% (the "State Tax Increment"). The inflation adjustment is an adjustment based on the average inflation during the three years prior to the date of calculation. (It is not an adjustment for each year of inflation since 2002-2003). Thus,

EXHIBIT N Committee on Taxation

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