

SENATE BILL NO. 411—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 29, 2005

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to local improvements. (BDR 21-1293)

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

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

AN ACT relating to local improvements; revising various provisions governing local improvements and the payment of assessments related to a local improvement; and providing other matters properly relating thereto.

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 the provisions set forth as sections 2 and 3 of this act.

3 **Sec. 2.** *If the assessable property within an improvement*
4 *district includes tracts of land owned by the municipality, the levy*
5 *of assessments against the tracts of land owned by the*
6 *municipality must not exceed 15 percent of the total amount of*
7 *assessments against all tracts of land within the improvement*
8 *district.*

9 **Sec. 3.** *Except as otherwise provided in NRS 271.595, any*
10 *payment related to an assessment on property that a person, this*
11 *State or any political subdivision of this State sends to a*
12 *municipality by mail that is received by the municipality without a*
13 *postmark or with an illegible postmark shall be deemed to have*
14 *been made on a date which is 2 business days before the date on*
15 *which the municipality received the payment.*

16 **Sec. 4.** NRS 271.040 is hereby amended to read as follows:
17 271.040 “Assessable property” means the tracts of land
18 specially benefited by any project the cost of which is wholly or



1 partly defrayed by the municipality by the levy of assessments,
2 except:

3 1. Any tract owned by the Federal Government, in the absence
4 of its consent to the assessment. ~~[, or the municipality.]~~

5 2. *Any tract owned by the municipality, unless the governing*
6 *body of the municipality adopts a resolution finding that the tract*
7 *is specially benefited by the project.*

8 3. Any street or other public right-of-way.

9 **Sec. 5.** NRS 271.130 is hereby amended to read as follows:

10 271.130 "Improvement district" means the geographical area
11 within the municipality designated and delineated by the governing
12 body, in which ~~[improvement district is located the facilities or~~
13 ~~project, or an interest therein, the cost of which is to be defrayed~~
14 ~~wholly or in part by the levy of special assessments, and]~~ is located
15 each tract to be assessed ~~[therefor.]~~ *for a project.* An improvement
16 district may consist of noncontiguous areas. Improvement districts
17 shall be designated by consecutive numbers or in some other
18 manner to identify separately each such district in the municipality.

19 **Sec. 6.** NRS 271.170 is hereby amended to read as follows:

20 271.170 "Posting" means posting, ~~[in three public places at or~~
21 ~~near the site of the project designated]~~ at least 20 days prior to the
22 designated hearing or other time or event ~~[]~~:

23 1. *On the website of the municipality, if any; or*

24 2. *In three public places located on public property at or near*
25 *the site of the project.*

26 **Sec. 7.** NRS 271.280 is hereby amended to read as follows:

27 271.280 1. Whenever the governing body ~~[is of the opinion~~
28 ~~that the interest of the municipality requires]~~ *of a municipality*
29 *determines to form an improvement district to conduct* any project,
30 ~~[the governing body, by resolution, shall direct]~~ the engineer ~~[to~~
31 ~~prepare, or may, after he has prepared, ratify:]~~ *shall prepare and file*
32 *with the clerk:*

33 (a) Preliminary plans showing:

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

35 (2) The type or types of material, approximate thickness and
36 wideness.

37 (3) A preliminary estimate of the cost of the project,
38 including incidental costs.

39 (b) An assessment plat showing:

40 (1) The area to be assessed.

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



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

4 ➔ The governing body is not required to employ the services of an
5 appraiser to estimate or to assist the engineer in estimating the
6 benefits to be derived from the project.

7 2. The ~~{resolution or ratification}~~ *preliminary plans* may
8 provide for one or more types of construction, and the engineer shall
9 separately estimate the cost of each type of construction. The
10 estimate may be made in a lump sum or by unit prices, as the
11 engineer determines is most desirable for the improvement complete
12 in place.

13 3. ~~{The}~~ A resolution or document ~~{ratified}~~ *prepared by the*
14 *engineer pursuant to subsection 1* must describe the project in
15 general terms.

16 4. The resolution or document ~~{ratified}~~ must state:

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

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

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

23 5. If the assessment is not to be made according to front feet,
24 the resolution or document ~~{ratified}~~ must:

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

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

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

30 6. If the assessment is to be upon the abutting property upon a
31 frontage basis, it is sufficient for the resolution or document
32 ~~{ratified}~~ so to state and to define the location of the project to be
33 made.

34 7. It is not necessary in any case to describe minutely in the
35 resolution or document ~~{ratified}~~ each particular tract to be assessed,
36 but simply to designate the property, improvement district or the
37 location, so that the various parts to be assessed can be ascertained
38 and determined to be within or without the proposed improvement
39 district.

40 8. If the preliminary plans include a commercial area
41 vitalization project, then in addition to the other requirements in this
42 section, before the plans are ratified by the governing body, the
43 plans must include a plan for the management of the proposed
44 improvement district which must include, without limitation:



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

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

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

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

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

10 9. ~~[The engineer shall forthwith prepare and file with the clerk:~~

11 ~~—(a) The preliminary plans; and~~

12 ~~—(b) The assessment plat.~~

13 ~~—10.]~~ Upon the filing of the plans ~~[and plat.]~~, *plat and, if the*
14 *engineer prepares a document pursuant to paragraph (c) of*
15 *subsection 1, the document prepared by the engineer pursuant to*
16 *paragraph (c) of subsection 1*, they must be examined by the
17 governing body. If the plans, ~~[and]~~ *plat and document, if any*, are
18 found to be satisfactory, the governing body shall make a
19 provisional order by resolution to the effect that the project will be
20 acquired or improved, or both acquired and improved.

21 **Sec. 8.** NRS 271.405 is hereby amended to read as follows:

22 271.405 1. All assessments made in pursuance of the
23 assessment ordinance are due and payable without demand within
24 30 days after the effective date of the assessment ordinance.

25 2. All such assessments may at the election of the owner be
26 paid in installments with interest as hereinafter provided, whenever
27 the governing body so authorizes the payment of assessments.

28 3. Failure to pay the whole assessment within 30 days is
29 conclusively considered an election on the part of all persons
30 interested, whether under disability or otherwise, to pay in
31 installments the amount of the assessment then unpaid.

32 4. All persons so electing to pay in installments are
33 conclusively considered as consenting to such projects, and such an
34 election is conclusively considered as a waiver of all rights to
35 question the power or jurisdiction of the municipality to acquire or
36 improve the projects, the quality of the work, the regularity or
37 sufficiency of the proceedings or the validity or correctness of the
38 assessment.

39 5. The owner of any tract assessed may at any time pay the
40 whole unpaid principal with the interest accrued to the next interest
41 payment date, together with penalties, if any. The governing body
42 may require in the assessment ordinance the payment of a premium
43 for any such prepayment, which must not exceed ~~[by more than 3~~
44 ~~percent the Index of Twenty Bonds which is in effect at the time the~~



1 ~~election is made, as a percentage]~~ *5 percent* of the installment or
2 installments of principal so prepaid.

3 6. Subject to the foregoing provisions, all installments, both of
4 principal and interest, are payable at such times as may be
5 determined in and by the assessment ordinance.

6 7. The clerk shall give notice by publication or by mail of the
7 levy of any assessment, of the fact that it is payable, and of the last
8 day for its payment as herein provided.

9 **Sec. 9.** NRS 271.415 is hereby amended to read as follows:

10 271.415 1. In case of an election to pay in installments, the
11 assessment may be made payable in any manner sufficient to pay
12 the principal and interest in not less than 2 nor more than ~~[24]~~ *30*
13 years after the effective date of the assessment ordinance.

14 2. Interest in all cases on the unpaid balance accruing from the
15 effective date of the assessment ordinance until the respective due
16 dates of the installments is payable at the times specified by the
17 governing body in the assessment ordinance. Except as otherwise
18 provided in NRS 271.487 and 271.730, the governing body shall:

19 (a) Before assessment bonds are issued or if bonds are not
20 issued, fix *by resolution or ordinance, or authorize the chief*
21 *administrative officer or chief financial officer of the municipality*
22 *to fix*, the rate or rates of the interest on the unpaid balance of the
23 assessment ~~[by resolution]~~ at any time after the adoption of the
24 assessment ordinance; or

25 (b) If assessment bonds are sold, fix or adjust *, or authorize*
26 *the chief administrative officer or chief financial officer of the*
27 *municipality to fix or adjust*, the rate or rates of interest on the
28 unpaid balance of the assessment due after the date the bonds are
29 sold at no more than 1 percent above the highest rate of interest
30 payable on the assessment bonds at any maturity.

31 3. This section does not limit the discretion of the governing
32 body in determining whether assessments are payable in
33 installments and the time the first installment of principal or interest,
34 or both, and any subsequent installments thereof, are due.

35 4. The governing body in the assessment ordinance shall state
36 the number of installments in which assessments may be paid, the
37 period of payment, any privileges of making prepayments and any
38 premium to be paid to the municipality for exercising any such
39 privilege, the rate of interest upon the unpaid balance of the
40 assessment and accrued interest after any delinquency at a rate not
41 exceeding 2 percent per month, and any penalties and collection
42 costs payable after delinquency.

43 5. The county or municipal officer who has been directed by
44 the governing body to collect assessments shall give notice by
45 publication or by mail of any installment which is payable and of



1 the last day for its payment as provided in this section and in the
2 assessment ordinance.

3 6. The governing body in the assessment ordinance may
4 provide for the application of a credit against the payment of an
5 assessment to the extent that the principal of the bonds has been
6 paid with the unexpended balance of the proceeds of the bonds
7 pursuant to subsection ~~6~~ 7 of NRS 271.485. The governing body
8 shall apply the credit pro rata, based on the original assessment on
9 the assessed property, against the payment of the assessment due
10 from the person who owns the assessed property on the date of the
11 application of the credit.

12 7. At any time after fixing the rate of interest on the
13 assessment, the governing body may reduce the rate of interest on
14 the unpaid balance of an assessment that is due if:

15 (a) The reduction is not prohibited by any covenant made for the
16 benefit of the owners of the bonds or interim warrants issued for the
17 district; and

18 (b) The reduced rate of interest is not lower than the average rate
19 of interest on the outstanding bonds or interim warrants.

20 **Sec. 10.** NRS 271.420 is hereby amended to read as follows:

21 271.420 1. The payment of the amount so assessed, including
22 each installment thereof, the interest thereon, and any penalties and
23 collection costs, is secured by an assessment lien upon the tract
24 assessed from the effective date of the assessment ordinance.

25 2. The final assessment roll, endorsed by the clerk as the roll
26 designated in the assessment ordinance, must be recorded in the
27 office of the county recorder together with a statement that the
28 current payment status of any of the assessments may be obtained
29 from the county or municipal officer who has been directed by the
30 governing body to collect the assessment. Neither the failure to
31 record the assessment roll as provided in this subsection nor any
32 defect in the roll as recorded affects the validity of the assessments,
33 the lien for the payment thereof or the priority of that lien.

34 3. ~~The~~ *Notwithstanding the provisions of any other specific*
35 *statute, the* lien upon each tract assessed is:

36 (a) Coequal with the latest lien thereon to secure the payment of
37 general taxes.

38 (b) Not subject to extinguishment by the sale of any property on
39 account of the nonpayment of general taxes.

40 (c) Prior and superior to all liens, claims, encumbrances and
41 titles other than the liens of assessments and general taxes ~~is~~
42 *attached to the tract pursuant to the provisions of NRS 361.450.*

43 4. No statute of limitations begins to run against any
44 assessment nor the assessment lien to secure its payment until after
45 the last installment of principal thereof becomes due.



1 **Sec. 11.** NRS 271.425 is hereby amended to read as follows:

2 271.425 1. If a tract is divided after a special assessment
3 thereon has been levied and divided into installments and before the
4 collection of all the installments, the governing body may require
5 the treasurer to apportion the uncollected amounts upon the several
6 parts of land so divided.

7 2. If two or more tracts are combined or combined and
8 redivided into two or more different tracts after a special assessment
9 thereon has been levied and divided into installments and before the
10 collection of all the installments, the governing body may require
11 the treasurer to combine or combine and reapportion the uncollected
12 amounts upon the part or parts of land that exist after the
13 combination or combination and redivision.

14 3. Except to the extent limited in an ordinance that authorizes
15 or otherwise pertains to the issuance of bonds for an improvement
16 district, the governing body may reapportion assessments which
17 have been levied pursuant to this chapter or apportioned pursuant to
18 this section with the unanimous written consent of all the owners of
19 property whose assessments will be increased by the
20 reapportionment. The governing body is not required to obtain the
21 consent of an owner of property whose assessment will not be
22 affected or will be decreased by the reapportionment.

23 4. Assessments may be combined or reapportioned, or both,
24 pursuant to subsections 2 and 3, only if the governing body finds
25 that the proposed action will not:

26 (a) Materially or adversely impair the obligation of the
27 municipality with respect to any outstanding bond secured by
28 assessments; or

29 (b) Increase the principal balance of any assessment to an
30 amount such that the aggregate amount which is assessed against a
31 tract exceeds the minimum benefit to the tract that is estimated to
32 result from the project which is financed by the assessment.

33 5. The report of an apportionment, combination or
34 reapportionment pursuant to this section, when approved by the
35 governing body, is conclusive on all the parties, and all assessments
36 thereafter made upon the tracts must be according to the
37 apportionment, combination or reapportionment so approved.

38 6. The report, when approved, must be recorded in the office of
39 the county recorder together with a statement that the current
40 payment status of any of the assessments may be obtained from the
41 county or municipal officer who has been directed by the governing
42 body to collect the assessment. Neither the failure to record the
43 report as provided in this subsection nor any defect in the report as
44 recorded affects the validity of the assessments, the lien for the
45 payment thereof or the priority of that lien.



1 7. *The governing body may by ordinance delegate to the chief*
2 *financial officer or treasurer of the municipality the duties*
3 *required of the governing body pursuant to this section in*
4 *connection with the apportionment, combination or*
5 *reapportionment of assessments. If the governing body adopts*
6 *such an ordinance, the ordinance must establish parameters for*
7 *the chief financial officer or treasurer in the performance of such*
8 *duties.*

9 **Sec. 12.** NRS 271.428 is hereby amended to read as follows:

10 271.428 1. When all outstanding bonds, principal, interest
11 and prior redemption premiums, if any, of such a district have been
12 paid and any surplus amounts remain in the fund established
13 pursuant to NRS 271.490 to the credit of the district, the surplus
14 after the payment of valid claims for refund, if any, must be
15 transferred to a surplus and deficiency fund. The governing body
16 may at any time, by resolution or ordinance, authorize the deposit of
17 any money otherwise available to the surplus and deficiency fund.

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

20 (a) *The issuance of refunding bonds pursuant to NRS*
21 *271.488; or*

22 (b) *Collecting delinquent assessments pursuant to NRS*
23 *271.445 and 271.540 to 271.630, inclusive.*

24 3. Whenever there is a deficiency in any fund established
25 pursuant to NRS 271.490 for the payment of the bonds and interest
26 thereon for any improvement district created pursuant to former
27 NRS 244A.193 or pursuant to NRS 271.325 or 318.070, the
28 deficiency must first be paid out of the surplus and deficiency fund
29 to the extent of the money available in the fund before any payment
30 is made out of the general fund of the municipality as provided by
31 NRS 271.495.

32 ~~3.~~ 4. Amounts in the surplus and deficiency fund which
33 exceed 10 percent of the principal amount of outstanding bonds of
34 the municipality for all improvement districts created pursuant to
35 former NRS 244A.193 or pursuant to NRS 271.325 or 318.070 at
36 the end of each fiscal year may be used:

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

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

42 (c) To provide for the payment of assessments levied against, or
43 attributable to, property owned by the municipality or the Federal
44 Government.



1 ~~[4.]~~ 5. At the end of each fiscal year any excess amount
2 described in subsection ~~[3.]~~ 4 may be transferred to the general fund
3 of the municipality as the governing body directs by resolution.

4 **Sec. 13.** NRS 271.429 is hereby amended to read as follows:

5 271.429 1. Except as otherwise provided in subsection 2,
6 when all outstanding bonds, principal, interest and prior redemption
7 premiums, if any, of a district have been paid, surplus amounts
8 remaining in the special fund created for that district pursuant to
9 NRS 271.490 must be refunded as follows:

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

14 (b) If a surplus and deficiency fund has been established
15 pursuant to NRS 271.428, and amounts have been advanced from
16 the surplus and deficiency fund for the payment of bonds or interest
17 thereon of such district, those amounts must be returned to the
18 surplus and deficiency fund.

19 (c) The treasurer shall thereupon determine the amount
20 remaining in the fund created for the district pursuant to NRS
21 271.490 and deduct therefrom the amount of administrative costs of
22 returning that surplus ~~[.]~~ *and any other administrative costs*
23 *incurred by the municipality related to the improvement district or*
24 *the project which have not been otherwise reimbursed.* An amount
25 equal to the actual administrative costs must be returned to the fund
26 from which the administrative costs were paid.

27 (d) If the remaining surplus is ~~[\$10,000]~~ \$25,000 or less, that
28 amount must be deposited to the surplus and deficiency fund.

29 (e) If the remaining surplus is more than ~~[\$10,000.]~~ \$25,000, the
30 treasurer shall:

31 (1) Deposit ~~[\$10,000]~~ \$25,000 in the surplus and deficiency
32 fund;

33 (2) Apportion the amount of the surplus in excess of
34 ~~[\$10,000]~~ \$25,000 among the tracts of land assessed in the district;
35 and

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

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

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



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

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

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

10 **Sec. 14.** NRS 271.445 is hereby amended to read as follows:

11 271.445 1. When any assessment is so levied by ordinance
12 *against property, including, without limitation, property owned by*
13 *a person or property owned by this State or any political*
14 *subdivision of this State*, and is payable, the governing body shall
15 direct:

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

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

22 2. If the municipal treasurer has been directed to collect unpaid
23 assessments, the amount so levied in the assessment roll *against*
24 *property, including, without limitation, property owned by a*
25 *person or property owned by this State or any political subdivision*
26 *of this State*, shall be collected and enforced, both before and after
27 delinquency, in the manner provided in NRS 271.540 to 271.625,
28 inclusive, except as otherwise provided in the ordinance levying the
29 assessments.

30 3. If the county treasurer has been directed to collect unpaid
31 assessments, the amount so levied in the assessment roll *against*
32 *property, including, without limitation, property owned by a*
33 *person or property owned by this State or any political subdivision*
34 *of this State*, shall be collected and enforced, both before and after
35 delinquency, by the county treasurer and other county officers, as
36 provided by law, with the other taxes in the general assessment roll
37 of the county, and in the same manner, except as otherwise provided
38 in the ordinance levying the assessments.

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

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

43 6. The assessment roll and the certified ordinance levying the
44 assessment shall be prima facie evidence of the regularity of the



1 proceedings in making the assessment and of the right to recover
2 judgment therefor.

3 *7. If the ordinance authorizing the levy of assessments*
4 *provides for the reduction or waiver of penalties assessed pursuant*
5 *to subsection 4 of NRS 271.415 or interest incurred pursuant to*
6 *NRS 271.585 and the governing body so approves, the treasurer*
7 *may reduce or waive the collection of any such penalties or*
8 *interest.*

9 **Sec. 15.** NRS 271.485 is hereby amended to read as follows:

10 271.485 1. Any bonds issued pursuant to this chapter may be
11 sold in such a manner as may be approved by the governing body to
12 defray the cost of the project, including all proper incidental
13 expenses. The governing body may issue a single issue of bonds to
14 defray the costs of projects in two or more improvement districts if
15 the principal amount of those bonds does not exceed the total
16 uncollected assessments levied in each improvement district.

17 2. Bonds must be sold in the manner prescribed in NRS
18 350.105 to 350.195, inclusive:

19 (a) For not less than the principal amount thereof and accrued
20 interest thereon; or

21 (b) At the option of the governing body, below par at a discount
22 not exceeding 9 percent of the principal amount and except as
23 otherwise provided in NRS 271.487 and 271.730, at a price which
24 will not result in an effective interest rate which exceeds by more
25 than 3 percent the Index of Twenty Bonds which was most recently
26 published before the bids are received or a negotiated offer is
27 accepted if the maximum or any lesser amount of discount permitted
28 by the governing body has been capitalized as a cost of the project.

29 3. Except as otherwise provided in *subsection 4 and* NRS
30 271.487 and 271.730, the rate of interest of the bonds must not at
31 any time exceed the rate of interest, or lower or lowest rate if more
32 than one, borne by the special assessments, but any rate of interest
33 of the bonds may be the same as or less than any rate of interest of
34 the assessment, subject to the limitation provided in subsection 2, as
35 the governing body may determine.

36 4. *Except as otherwise provided in NRS 271.730, if a*
37 *governing body creates a district pursuant to the provisions of*
38 *NRS 271.710, the governing body or chief financial officer of the*
39 *municipality shall, in consultation with a financial advisor or the*
40 *underwriter of the bonds, fix the rate of interest of the bonds at a*
41 *rate of interest such that the principal and interest due on the*
42 *bonds in each year, net of any interest capitalized from the*
43 *proceeds of the bonds, will not exceed the amount of principal and*
44 *interest to be collected on the special assessments during that year.*



1 **5.** The governing body may employ legal, fiscal, engineering
2 and other expert services in connection with any project authorized
3 by this chapter and the authorization, issuance and sale of bonds.

4 ~~[5.]~~ **6.** Any accrued interest ~~[and any premium]~~ must be
5 applied to the payment of the interest on or the principal of the
6 bonds, or both interest and principal.

7 ~~[6.]~~ **7.** Any unexpended balance of the proceeds of the bond
8 remaining after the completion of the project for which the bonds
9 were issued must be paid immediately into the fund created for the
10 payment of the principal of the bonds and must be used therefor,
11 subject to the provisions as to the times and methods for their
12 payment as stated in the bonds and the proceedings authorizing their
13 issuance.

14 ~~[7.]~~ **8.** The validity of the bonds must not be dependent on nor
15 affected by the validity or regularity of any proceedings relating to
16 the acquisition or improvement of the project for which the bonds
17 are issued.

18 ~~[8.]~~ **9.** A purchaser of the bonds is not responsible for the
19 application of the proceeds of the bonds by the municipality or any
20 of its officers, agents and employees.

21 ~~[9.]~~ **10.** The governing body may enter into a contract to sell
22 special assessment bonds at any time but, if the governing body so
23 contracts before it awards a construction contract or otherwise
24 contracts for acquiring or improving the project, the governing body
25 may terminate the contract to sell the bonds, if:

26 (a) Before awarding the construction contract or otherwise
27 contracting for the acquisition or improvement of the project, it
28 determines not to acquire or improve the project; and

29 (b) It has not elected to proceed pursuant to subsection 2 or 3 of
30 NRS 271.330, but has elected to proceed pursuant to subsection 1 of
31 that section.

32 ~~[10.]~~ **11.** If the governing body ceases to have jurisdiction to
33 proceed, because the requisite proportion of owners of the frontage
34 to be assessed, or of the area, zone or other basis of assessment, file
35 written complaints, protests and objections to the project, as
36 provided in NRS 271.306, or for any other reason, any contract to
37 sell special assessment bonds is terminated and becomes
38 inoperative.

39 **Sec. 16.** NRS 271.488 is hereby amended to read as follows:

40 271.488 1. The governing body may issue one or more series
41 of bonds to refund all or any portion of the outstanding bonds of one
42 or more improvement districts. The bonds must be issued pursuant
43 to the provisions of this chapter and the Local Government
44 Securities Law.



1 2. For the purposes of the Local Government Securities Law,
2 the bonds issued to refund all or any portion of the outstanding
3 bonds of one or more improvement districts shall be deemed special
4 obligations and the assessments shall be deemed net pledged
5 revenues. ~~##~~ *Except as otherwise provided in subsection 7, if* the
6 bonds are issued, the governing body shall, by resolution, reduce the
7 rate of interest on the uncollected installments of assessments. The
8 rate of interest must not exceed the amount set forth in NRS
9 271.415, plus any amount necessary to pay the costs of the
10 refunding.

11 3. Refinancing bonds issued pursuant to the provisions of this
12 section must be secured by the assessments levied against
13 specifically identified tracts of assessable property and may have
14 any other terms or security that are allowed for any other bonds
15 issued pursuant to the provisions of this chapter, except any bond
16 issued to refund all or any portion of the outstanding bonds of one
17 or more improvement districts must mature within ~~20~~ 30 years
18 after the date such a bond is issued.

19 4. A refunding bond issued pursuant to this section may refund
20 all or any portion of the outstanding bonds of one or more
21 improvement districts and may be secured by a combination of
22 assessments levied on all or a specifically identified portion of the
23 assessed property located within the district or districts.

24 5. Two or more series of refunding bonds may be issued to
25 refund the outstanding bonds of one or more districts and each series
26 may be secured by assessments levied on different portions of
27 assessed property located within the district or districts whose bonds
28 are outstanding.

29 6. Except as otherwise provided in subsection 7 or 8, the
30 governing body, in connection with the issuance of refunding bonds
31 pursuant to this section, may amend the assessment ordinance to
32 amend the following terms of all or a portion of the assessments
33 authorized in the ordinance:

34 (a) The rate of interest the governing body charges on unpaid
35 installments;

36 (b) Any penalties for prepayment of assessments;

37 (c) The amounts of unpaid installments;

38 (d) The principal balance of assessments;

39 (e) The dates upon which unpaid installments are due;

40 (f) The number of years over which unpaid installments are due;

41 and

42 (g) Any other term, if the term, as amended, would comply with
43 the provisions of this chapter.

44 7. Before a governing body may amend an assessment
45 ordinance to increase the principal and interest of any assessment,



1 the number of years over which unpaid installments are due or the
2 amount of any unpaid installments, it must:

3 (a) Obtain the written consent of the owner of each tract that
4 would be affected by the proposed amendment to the ordinance; or

5 (b) Hold a hearing on the proposed amendment and give notice
6 of that hearing in the manner set forth in NRS 271.305. If the
7 owners of the tracts upon which more than one-half of the affected
8 assessments, measured by the unpaid assessment balance, submit
9 written protests to the governing body on or before the date of the
10 hearing, the governing body shall not adopt the proposed
11 amendment to the assessment ordinance.

12 8. To issue refunding bonds or to amend an assessment
13 ordinance pursuant to this section, the governing body must find
14 that:

15 (a) The obligation of the municipality will not be materially or
16 adversely impaired with respect to any outstanding bond secured by
17 assessments; and

18 (b) The principal balance of any assessment will not increase to
19 an amount such that the aggregate amount that is assessed against
20 the tract exceeds the minimum benefit to the tract that is estimated
21 to result from the project that is financed by the assessment and the
22 refunding of the outstanding bonds.

23 **Sec. 17.** NRS 271.490 is hereby amended to read as follows:

24 271.490 ~~{The}~~

25 *1. Except as otherwise provided in subsection 3, the*
26 *assessments, when levied, shall be and remain a lien on the*
27 *respective tracts of land assessed until paid, as provided herein, and,*
28 *when collected, shall be placed in a special fund and as such shall at*
29 *all times constitute a sinking fund for and be deemed specially*
30 *appropriated to the payment of the assessment bonds and interest*
31 *thereon, and shall not be used for any other purpose until the bonds*
32 *and interest thereon are fully paid, except for the assessments paid*
33 *during the 30-day payment period provided in NRS 271.405 and*
34 *applied directly to the costs of the project.*

35 *2. Penalties, collection costs and interest on a delinquency*
36 *imposed pursuant to subsection 4 of NRS 271.415 or 271.585 in*
37 *connection with the collection of an assessment or an installment*
38 *payment that is not paid when it comes due may be deposited in*
39 *any fund or account of the municipality designated by the*
40 *governing body or designated by the chief financial officer of the*
41 *municipality if the governing body has authorized the chief*
42 *financial officer to make such a designation.*

43 *3. If permitted by the ordinance authorizing the issuance of a*
44 *bond, the assessments and any penalties, collection costs or*
45 *interest not needed in any year to pay the principal and interest on*



1 *the bonds may be used to pay the administrative costs of the*
2 *municipality incurred in connection with the district and the*
3 *collection of the assessments.*

4 **Sec. 18.** NRS 271.515 is hereby amended to read as follows:

5 271.515 1. Any assessment bonds:

6 (a) Must bear such date or dates;

7 (b) Must mature in such denomination or denominations at such
8 time or times, but in no event commencing later than ~~[1-year]~~ **3**
9 **years** nor exceeding ~~[20]~~ **30** years after their date;

10 (c) Must bear interest payable at such intervals, but not less
11 often than annually;

12 (d) Must be payable in such medium of payment at such place or
13 places within and without the State, including, but not limited to, the
14 office of the county treasurer; and

15 (e) At the option of the governing body, may be made subject to
16 prior redemption in advance of maturity, in such order or by lot or
17 otherwise, at such time or times, without or with the payment of a
18 premium or premiums not exceeding ~~[9]~~ **5** percent of the principal
19 amount of each bond so redeemed,

20 ↪ as provided by ordinance.

21 2. Bonds may be issued with privileges for registration for
22 payment as to principal, or both principal and interest, and the bonds
23 may provide for the endorsing of payments of interest thereon. The
24 bonds generally must be issued in such manner, in such form, with
25 such recitals, terms, covenants and conditions, with such provisions
26 for conversion into bonds of other denominations, and with such
27 other details, as may be provided by the governing body in the
28 ordinance or ordinances authorizing the bonds, except as herein
29 otherwise provided.

30 3. Pending preparations of the definitive bonds, interim or
31 temporary bonds, in such form and with such provisions as the
32 governing body may determine, may be issued.

33 4. Except for payment provisions herein expressly provided,
34 the bonds and such interim or temporary bonds must be fully
35 negotiable within the meaning of and for all the purposes of the
36 Uniform Commercial Code—Negotiable Instruments and the
37 Uniform Commercial Code—Investment Securities.

38 5. Notwithstanding any other provisions of law, the governing
39 body, in any proceedings authorizing bonds hereunder, may:

40 (a) Provide for the initial issuance of one or more bonds, in this
41 subsection called “bond,” aggregating the amount of the entire issue
42 or any portion thereof.

43 (b) Make such provision for installment payments of the
44 principal amount of any such bond as it may consider desirable.



1 (c) Provide for the making of any such bond payable to bearer or
2 otherwise, registrable as to principal, or as to both principal and
3 interest, and for the endorsing of payments of interest on such bond.

4 (d) Make provision in any such proceedings for the manner and
5 circumstances in and under which any such bond may in the future,
6 at the request of the holder thereof, be converted into bonds of larger
7 or smaller denominations.

8 6. Any bonds may be issued hereunder with provisions for
9 their reissuance, and the terms and conditions thereof, whether lost,
10 apparently destroyed, wrongfully taken, or for any other reason, as
11 provided in the Uniform Commercial Code—Investment Securities,
12 or otherwise.

13 7. Any bond must be executed in the name of and on behalf of
14 the municipality and signed by the mayor, chairman or other
15 presiding officer of the governing body, countersigned by the
16 treasurer of the municipality, with the seal of the municipality
17 affixed thereto and attested by the clerk.

18 8. Any bond may be executed as provided in the Uniform
19 Facsimile Signatures of Public Officials Act.

20 9. The bonds bearing the signatures of the officers in office at
21 the time of the signing thereof are the valid and binding obligations
22 of the municipality, notwithstanding that before the delivery thereof
23 and payment therefor, any or all of the persons whose signatures
24 appear thereon have ceased to fill their respective offices.

25 10. Any officer herein authorized or permitted to sign any
26 bond, at the time of its execution and of the execution of a signature
27 certificate, may adopt as and for his own facsimile signature the
28 facsimile signature of his predecessor in office in the event that such
29 facsimile signature appears upon the bond.

30 **Sec. 19.** NRS 271.545 is hereby amended to read as follows:

31 271.545 **1.** All assessments and installments thereof shall be
32 collected and enforced by the municipal treasurer at the times and in
33 the manner provided by the Consolidated Local Improvements Law
34 and as hereafter provided. As soon as any assessment or installment
35 becomes delinquent, the municipal treasurer shall mark the same
36 delinquent on the assessment roll. Within 60 days thereafter, the
37 governing body shall direct the municipal treasurer to give notice of
38 the sale of the property or properties subject to the lien of a
39 delinquent installment or the entire assessment if the governing
40 body has exercised its option to cause the whole amount of the
41 unpaid principal to become due and payable. The notice shall
42 contain:

43 **[H] (a)** The name of each last known owner of each tract upon
44 which an assessment or installment thereof is delinquent, or if not
45 known that the name is unknown.



1 ~~(2)~~ (b) A description of each tract upon which an assessment is
2 delinquent, and the total amount due thereon, including the
3 delinquent installment or the whole assessment, as the case may be,
4 accrued interest upon the whole amount of unpaid principal to the
5 date of delinquency, interest upon unpaid principal and accrued
6 interest from the date of delinquency to the date of sale at a rate not
7 exceeding 1 percent per month, penalties and collection costs,
8 including attorney's fees.

9 ~~(3)~~ (c) A statement of the time and place of sale.

10 ~~(4)~~ (d) A statement that each property described will be sold to
11 satisfy the total amount due thereon as aforesaid.

12 **2. A governing body may adopt an ordinance to establish the**
13 **procedures for conducting a sale of a property pursuant to the**
14 **provisions of NRS 271.540 to 271.620, inclusive, including,**
15 **without limitation, the method of determining the person who**
16 **shall be permitted to purchase a property at such a sale.**

17 **Sec. 20.** NRS 271.595 is hereby amended to read as follows:

18 271.595 1. Any property sold for an assessment, or any
19 installment thereof, is subject to redemption by the former owner, or
20 his grantee, mortgagee, heir or other representative after:

21 (a) If there was a permanent residential dwelling unit or any
22 other significant permanent improvement on the property at the time
23 the sale was held pursuant to NRS 271.555, as determined by the
24 governing body, at any time within 2 years; or

25 (b) In all other cases, at any time within 120 days,
26 ↪ after the date of the certificate of sale, upon payment to the
27 municipal treasurer of the amount for which the property was sold,
28 with interest thereon at a rate of not exceeding 1 percent per month,
29 together with all taxes and special assessments, or installments
30 thereof, interest, penalties, costs and other charges, thereon paid by
31 the purchaser since the sale, with like interest thereon. Unless
32 written notice of taxes and assessments subsequently paid, and the
33 amount thereof, is deposited with the treasurer, redemption may be
34 made without their inclusion.

35 2. On any redemption being made, the treasurer shall give to
36 the redemptioner a certificate of redemption, and pay over the
37 amount received to the purchaser of the certificate of sale or his
38 assigns.

39 3. If no redemption is made within the period of redemption as
40 determined pursuant to subsection 1, the treasurer shall, on demand
41 of the purchaser or his assigns, and the surrender to him of the
42 certificate of sale, execute to the purchaser or his assigns a deed to
43 the property. No deed may be executed until the holder of the
44 certificate of sale has notified the owners of the property that he
45 holds the certificate, and that he will demand a deed therefor. The



1 notice must be given by personal service upon the owner. However,
2 if an owner is not a resident of the State or cannot be found within
3 the State after diligent search, the notice may be given by
4 publication. The notice and return thereof, with the affidavit of the
5 person, or in the case of the municipality, of the clerk, claiming a
6 deed, showing that service was made, must be filed with the
7 treasurer.

8 4. If redemption is not made within 60 days after the date of
9 service, or the date of the first publication of the notice, as the case
10 may be, the holder of the certificate of sale is entitled to a deed. The
11 deed must be executed only for the property described in the
12 certificate, and after payment of all delinquent taxes and special
13 assessments, or installments thereof, whether levied or assessed
14 before or after the issuance of the certificate of sale. A deed may be
15 issued to any municipality for the face amount of the certificate of
16 sale, plus accrued interest from the date of sale to the date of the
17 execution of the deed at a rate of not exceeding 1 percent per month.

18 *5. Any payment related to a redemption pursuant to this*
19 *section sent to a municipality by mail shall be deemed to have been*
20 *made on the date on which the municipality received the payment.*

21 **Sec. 21.** NRS 271.710 is hereby amended to read as follows:

22 271.710 1. A governing body may adopt an ordinance
23 pursuant to NRS 271.325 creating a district and ordering a project to
24 be acquired or improved and may contract with a person to construct
25 or improve a project, issue bonds or otherwise finance the cost of
26 the project and levy assessments, without complying with the
27 provisions of NRS 271.305 to 271.320, inclusive, 271.330 to
28 271.345, inclusive, 271.380 and 271.385 and , except as otherwise
29 provided in this section, the provisions of any law requiring public
30 bidding or otherwise imposing requirements on any public contract,
31 project, works or improvements, including, without limitation,
32 chapters 332, 338 and 339 of NRS, if the governing body has
33 entered into a written agreement with the owners of all of the
34 assessable property within the district which states that:

35 (a) The governing body agrees to enter into a contract for the
36 acquisition, construction or improvement of the project or projects
37 in the district which includes:

38 (1) A provision stating that the requirements of NRS 338.010
39 to 338.090, inclusive, apply to any construction work to be
40 performed under the contract; and

41 (2) The price, stated as a lump sum or as unit prices, which
42 the governing body agrees to pay for the project if the project meets
43 all requirements and specifications in the contract.

44 (b) The owners of the assessable property agree that if the rate
45 of interest on any assessment levied for the district is determined



1 from time to time as provided in NRS 271.487, the owners will
2 provide written notice to the governing body in a timely manner
3 when a parcel of the assessable property in the district is sold to a
4 person who intends to occupy a dwelling unit on the parcel as his
5 residence.

6 (c) The owners of the assessable property agree that the
7 governing body may create the district, levy the assessments and for
8 all other purposes relating to the district proceed pursuant to the
9 provisions of this section.

10 2. If an ordinance is adopted and the agreement entered into
11 pursuant to subsection 1 so states:

12 (a) The governing body may amend the ordinance creating the
13 district, change the assessment roll and redistribute the assessments
14 required by NRS 271.390 in the same manner in which these actions
15 were originally taken to add additional property to the district. The
16 assessments may be redistributed between the assessable property
17 originally in the district and the additional assessable property if:

18 (1) The owners of additional assessable property also consent
19 in writing to inclusion of their property in the district and to the
20 amount of the assessment against their property; and

21 (2) The redistribution of the assessments is not prohibited by
22 any covenants made for the benefit of the owners of any bonds or
23 interim warrants issued for the district.

24 (b) The governing body may amend the ordinance creating the
25 district, change the assessment roll and redistribute the assessments
26 required by NRS 271.390 in the same manner in which these actions
27 were originally taken to remove assessable property from the
28 district. The assessments may be redistributed among the assessable
29 property remaining in the district if:

30 (1) The owners of the remaining assessable property consent
31 in writing to the amount of the revised assessment on their property;
32 and

33 (2) The redistribution of the assessments is not prohibited by
34 any covenants made for the benefit of the owners of any bonds or
35 interim warrants issued for the district.

36 (c) The governing body may adopt any ordinance pertaining to
37 the district including the ordinance creating the district required by
38 NRS 271.325, the ordinance authorizing interim warrants required
39 by NRS 271.355, the ordinance levying assessments required by
40 NRS 271.390, the ordinance authorizing bonds required by NRS
41 271.475 or any ordinance amending those ordinances after a single
42 reading and without holding a hearing thereon, as if an emergency
43 exists, upon an affirmative vote of not less than two-thirds of all
44 voting members of the governing body, excluding from any
45 computation any vacancy on the governing body and any members



1 thereon who may vote to break a tie vote, and provide that the
2 ordinances become effective at the time an emergency ordinance
3 would have become effective. The provisions of NRS 271.308 do
4 not apply to any such ordinance.

5 (d) The governing body may provide for a reserve fund, letter of
6 credit, surety bond or other collateral for payment of any interim
7 warrants or bonds issued for the district and include all or any
8 portion of the costs thereof in the amounts assessed against the
9 property in the district and in the amount of bonds issued for the
10 district. The governing body may provide for the disposition of
11 interest earned on the reserve fund and other bond proceeds, for
12 the disposition of unexpended bond proceeds after completion of the
13 project and for the disposition of the unexpended balance in the
14 reserve fund after payment in full of the bonds for the district.

15 ***3. If the governing body of a municipality forms a district***
16 ***pursuant to the provisions of this section, the governing body:***

17 ***(a) Is not required to adopt the resolutions required pursuant***
18 ***to the provisions of NRS 271.280, 271.310, 271.360 and 271.390.***

19 ***(b) Shall be deemed to have adopted the resolution required***
20 ***pursuant to the provisions of NRS 271.320 if the plans and***
21 ***specifications are sufficiently specific to allow a competent***
22 ***contractor with the assistance of a competent engineer to estimate***
23 ***the cost of constructing the project and to construct the project.***

24 **Sec. 22.** NRS 361.450 is hereby amended to read as follows:

25 361.450 1. Except as otherwise provided in subsection 3,
26 every tax levied under the provisions of or authority of this chapter
27 is a perpetual lien against the property assessed until the tax and any
28 penalty charges and interest which may accrue thereon are paid.
29 Notwithstanding the provisions of any other specific statute, such a
30 lien ***and a lien for unpaid assessments imposed pursuant to***
31 ***chapter 271 of NRS*** is superior to all other liens, claims,
32 encumbrances and titles on the property, including, without
33 limitation, interests secured pursuant to the provisions of chapter
34 104 of NRS, whether or not the lien was filed or perfected first in
35 time.

36 2. Except as otherwise provided in this subsection and NRS
37 361.739, the lien attaches on July 1 of the year for which the taxes
38 are levied, upon all property then within the county. The lien
39 attaches upon all migratory property, as described in NRS 361.505,
40 on the day it is moved into the county. If real and personal property
41 are assessed against the same owner, a lien attaches upon such real
42 property also for the tax levied upon the personal property within
43 the county. A lien for taxes on personal property also attaches upon
44 real property assessed against the same owner in any other county of
45 the State from the date on which a certified copy of any unpaid



1 property assessment is filed for record with the county recorder in
2 the county in which the real property is situated.
3 3. All liens for taxes levied under this chapter which have
4 already attached to a mobile or manufactured home expire on the
5 date when the mobile or manufactured home is sold, except the liens
6 for personal property taxes due in the county in which the mobile or
7 manufactured home was situate at the time of sale, for any part of
8 the 12 months immediately preceding the date of sale.
9 4. All special taxes levied for city, town, school, road or other
10 purposes throughout the different counties of this State are a lien on
11 the property so assessed, and must be assessed and collected by the
12 same officer at the same time and in the same manner as the state
13 and county taxes are assessed and collected.

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