

SENATE BILL NO. 125—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE INTERIM STUDY CONCERNING DISTRIBUTION
AMONG LOCAL GOVERNMENTS OF REVENUE FROM
STATE AND LOCAL TAXES (NRS 218.53881))

FEBRUARY 13, 2001

Referred to Committee on Government Affairs

SUMMARY—Makes various changes to provisions relating to financial reporting of local governments. (BDR 31-898)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: Yes.

CONTAINS UNFUNDED MANDATE (§ 1)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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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 governmental administration; requiring a local government to submit electronically a fiscal report to the department of taxation; requiring the committee on local government finance to establish by regulation certain requirements for a fiscal report of a local government submitted to the department of taxation; authorizing the committee on local government finance to establish by regulation an exception to the requirement that the fiscal report be submitted electronically for certain local governments; authorizing the electronic submission of documents relating to the budgets of local governments to the legislative counsel bureau; repealing the requirement that local governments prepare certain quarterly reports; requiring the publication of certain regulations in the Nevada Administrative Code; 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 354 of NRS is hereby amended by adding thereto a
2 new section to read as follows:

3 *1. Except as otherwise provided in subsection 3, the governing board*
4 *of a local government shall submit electronically a fiscal report of the*
5 *local government to the department of taxation in accordance with the*
6 *requirements prescribed by the committee on local government finance*
7 *pursuant to subsection 2.*



1 2. The committee on local government finance shall prescribe, by
2 regulation:

3 (a) The dates and times for filing a fiscal report, which must require a
4 local government to file at least one fiscal report per year;

5 (b) The content of a fiscal report, which must include, without
6 limitation, revenues, expenditures, fund balances, cash balances,
7 components of assessed value, debt schedules and any other information
8 that the committee on local government finance determines to be
9 appropriate for determining the financial status of a local government;
10 and

11 (c) A uniform method for creating and submitting a fiscal report
12 electronically pursuant to this section. The method must facilitate the
13 storage and reproduction of the fiscal report in electronic format by the
14 department of taxation.

15 3. The committee on local government finance may establish, by
16 regulation, an exception to the requirement that a fiscal report be
17 submitted to the department of taxation in electronic format. The
18 exception must be limited to local governments that the committee
19 determines do not have the financial ability to comply with the method
20 for submitting a fiscal report to the department of taxation prescribed by
21 the committee. If the committee on local government finance provides an
22 exception pursuant to this subsection, the committee shall provide, by
23 regulation, specific standards that it will use to determine whether a local
24 government qualifies for an exemption pursuant to this subsection.

25 4. The committee on local government finance shall adopt
26 regulations pursuant to this section in the manner prescribed for state
27 agencies in chapter 233B of NRS.

28 **Sec. 2.** NRS 354.470 is hereby amended to read as follows:

29 354.470 NRS 354.470 to 354.626, inclusive, *and section 1 of this act*
30 may be cited as the Local Government Budget Act.

31 **Sec. 3.** NRS 354.475 is hereby amended to read as follows:

32 354.475 1. All special districts subject to the provisions of the Local
33 Government Budget Act with annual total expenditures of less than
34 \$100,000 may petition the department of taxation for exemption from the
35 requirements of the Local Government Budget Act for the filing of certain
36 budget documents and audit reports. Such districts may further petition to
37 return to a cash method of accounting. The minimum required of such
38 districts is the filing with the department of taxation of an annual budget on
39 or before April 15 of each year and the filing of ~~quarterly~~ *fiscal* reports in
40 accordance with ~~NRS 354.602~~ *section 1 of this act*. Such petitions must
41 be received by the department of taxation before December 31 to be
42 effective for the succeeding fiscal year or, in a case of an annual audit
43 exemption, to be effective for the current fiscal year. A board of county
44 commissioners may request the department of taxation to audit the
45 financial records of such an exempt district.

46 2. Such districts are exempt from all publication requirements of the
47 Local Government Budget Act, except that the department of taxation by
48 regulation shall require an annual publication of a notice of budget
49 adoption and filing. The department of taxation shall adopt regulations



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1 pursuant to NRS 354.594 which are necessary to carry out the purposes of
2 this section.

3 3. The revenue recorded in accounts that are kept on a cash basis must
4 consist of cash items.

5 4. As used in this section, "cash basis" means the system of accounting
6 under which revenues are recorded only when received and expenditures or
7 expenses are recorded only when paid.

8 **Sec. 4.** NRS 354.595 is hereby amended to read as follows:

9 354.595 Whenever any document, supporting information or related
10 schedule concerning the budget of a local government is filed with the
11 department of taxation or the Nevada tax commission, the executive
12 director shall immediately deliver *or transmit electronically* a copy to the
13 legislative counsel bureau.

14 **Sec. 5.** NRS 354.665 is hereby amended to read as follows:

15 354.665 1. If a local government does not file a statement, report or
16 other document as required by the provisions of NRS 350.0035, ~~354.602,~~
17 354.6025, 354.624, 354.6245, ~~or~~ 387.303 *or section 1 of this act* within
18 15 days after the day on which it was due, the executive director shall
19 notify the governing body of the local government in writing that the report
20 is delinquent. The notification must be noted in the minutes of the first
21 meeting of the governing body following transmittal of the notification.

22 2. If the required report is not received by the department within 45
23 days after the day on which the report was due, the executive director shall
24 notify the governing body that the presence of a representative of the
25 governing body is required at the next practicable scheduled meeting of the
26 Nevada tax commission to explain the reason that the report has not been
27 filed. The notice must be transmitted to the governing body at least 5 days
28 before the date on which the meeting will be held.

29 3. If an explanation satisfactory to the Nevada tax commission is not
30 provided at the meeting as requested in the notice and an arrangement is
31 not made for the submission of the report, the commission may instruct the
32 executive director to request that the state treasurer withhold from the local
33 government the next distribution of the supplemental city-county relief tax
34 if the local government is otherwise entitled to receive such a distribution
35 or of the Local School Support Tax if the local government is a school
36 district. Upon receipt of such a request, the state treasurer shall withhold
37 the payment and all future payments until he is notified by the executive
38 director that the report has been received by the department.

39 **Sec. 6.** NRS 233B.062 is hereby amended to read as follows:

40 233B.062 1. It is the policy of this state that every regulation of an
41 agency be made easily accessible to the public and expressed in clear and
42 concise language. To assist in carrying out this policy:

43 (a) The attorney general must develop guidelines for drafting
44 regulations; and

45 (b) Every permanent regulation must be incorporated, excluding any
46 forms used by the agency, any publication adopted by reference, the title,
47 any signature and other formal parts, in the Nevada Administrative Code,
48 and every emergency or temporary regulation must be distributed in the
49 same manner as the Nevada Administrative Code.



- 1 2. *The legislative counsel shall:*
- 2 (a) *Include each permanent regulation in the Nevada Administrative*
- 3 *Code; and*
- 4 (b) *Distribute in the same manner as the Nevada Administrative Code*
- 5 *each emergency or temporary regulation,*
- 6 *that is required to be adopted pursuant to the provisions of this chapter*
- 7 *and which is adopted by an entity other than an agency.*
- 8 3. The legislative commission may authorize inclusion in the Nevada
- 9 Administrative Code of the regulations of an agency otherwise exempted
- 10 from the requirements of this chapter.
- 11 **Sec. 7.** NRS 354.602 is hereby repealed.
- 12 **Sec. 8.** The provisions of subsection 1 of NRS 354.599 do not apply
- 13 to any additional expenses of a local government that are related to the
- 14 provisions of this act.
- 15 **Sec. 9.** This act becomes effective on July 1, 2001.

TEXT OF REPEALED SECTION

354.602 Quarterly report: Contents; publication; filing.

1. Within 45 days after September 30, December 31 and March 31 and within 5 months, or in the case of a school district 4 months, after June 30 of each year, the governing board of each local government shall cause to be published a report in the form prescribed by the department of taxation showing, for each item of detailed estimate required by NRS 354.600, the amount estimated and the amount actually received or expended. Any approved budget augmentation or medium-term obligations received must be included and briefly explained in a footnote. A copy of the report must be filed immediately:

- (a) With the department of taxation;
- (b) In the case of school districts, with the state department of education;
- (c) With any employee organization upon the written request of the employee organization recognized by the local government; and
- (d) In the office of the clerk or secretary of the governing body, as a public record available for inspection by any interested person.

2. The governing board of each local government employer shall also supply, upon request by any organization entitled to request a report pursuant to paragraph (c) of subsection 1, a copy of each preliminary budget report or other fiscal report pertaining to the financial status of the local government, as those reports are prepared for use and consideration by the local government in the preparation of the budget or its amendments. The contents of those reports shall be superseded as to the period covered by any final budget or amendment thereof.

