

CHAPTER.....

AN ACT relating to governmental administration; requiring a local government to submit electronically a fiscal report to the department of taxation and to publish a summary of the fiscal report in a newspaper; 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 and for a summary of a fiscal report; 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:

Section 1. Chapter 354 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 3, the governing board of a local government shall:

(a) Submit electronically a fiscal report of the local government to the department of taxation in accordance with the requirements prescribed by the committee on local government finance pursuant to subsection 2; and

(b) Publish a summary of the fiscal report, which must contain the information required by the committee on local government finance pursuant to subsection 2, in a newspaper of general circulation in the county in which the local government is situated.

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

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

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

(c) The content for a summary of a fiscal report that must be published pursuant to subsection 1; and

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

3. The committee on local government finance may establish, by regulation, an exception to the requirement that a fiscal report be submitted to the department of taxation in electronic format. The exception must be limited to local governments that the committee determines do not have the financial ability to comply with the method for submitting a fiscal report to the department of taxation prescribed by the committee. If the committee on local government finance provides an

exception pursuant to this subsection, the committee shall provide, by regulation, specific standards that it will use to determine whether a local government qualifies for an exemption pursuant to this subsection.

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

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

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

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

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

2. Such districts are exempt from all publication requirements of the Local Government Budget Act, except that the department of taxation by regulation shall require an annual publication of a notice of budget adoption and filing. The department of taxation shall adopt regulations pursuant to NRS 354.594 which are necessary to carry out the purposes of this section.

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

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

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

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

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

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

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

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

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

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

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

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

2. *The legislative counsel shall:*

(a) *Include each permanent regulation in the Nevada Administrative Code; and*

(b) *Distribute in the same manner as the Nevada Administrative Code each emergency or temporary regulation, that is required to be adopted pursuant to the provisions of this chapter and which is adopted by an entity other than an agency.*

3. The legislative commission may authorize inclusion in the Nevada Administrative Code of the regulations of an agency otherwise exempted from the requirements of this chapter.

Sec. 7. NRS 354.602 is hereby repealed.

Sec. 8. The provisions of subsection 1 of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 9. This act becomes effective on July 1, 2001.