

**(REPRINTED WITH ADOPTED AMENDMENTS)**  
**FIRST REPRINT** **S.B. 125**

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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

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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.

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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:

- 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:***  
5     ***(a) Submit electronically a fiscal report of the local government to the***  
6     ***department of taxation in accordance with the requirements prescribed***



1 *by the committee on local government finance pursuant to subsection 2;*  
2 *and*

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

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

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

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

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

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

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

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

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

36 354.470 NRS 354.470 to 354.626, inclusive, *and section 1 of this act*  
37 *may be cited as the Local Government Budget Act.*

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

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



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1 exemption, to be effective for the current fiscal year. A board of county  
2 commissioners may request the department of taxation to audit the  
3 financial records of such an exempt district.

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

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

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

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

16 354.595 Whenever any document, supporting information or related  
17 schedule concerning the budget of a local government is filed with the  
18 department of taxation or the Nevada tax commission, the executive  
19 director shall immediately deliver *or transmit electronically* a copy to the  
20 legislative counsel bureau.

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

22 354.665 1. If a local government does not file a statement, report or  
23 other document as required by the provisions of NRS 350.0035, ~~354.602,~~  
24 354.6025, 354.624, 354.6245, ~~387.303~~ *or section 1 of this act* within  
25 15 days after the day on which it was due, the executive director shall  
26 notify the governing body of the local government in writing that the report  
27 is delinquent. The notification must be noted in the minutes of the first  
28 meeting of the governing body following transmittal of the notification.

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

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

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

47 233B.062 1. It is the policy of this state that every regulation of an  
48 agency be made easily accessible to the public and expressed in clear and  
49 concise language. To assist in carrying out this policy:



- 1 (a) The attorney general must develop guidelines for drafting  
2 regulations; and  
3 (b) Every permanent regulation must be incorporated, excluding any  
4 forms used by the agency, any publication adopted by reference, the title,  
5 any signature and other formal parts, in the Nevada Administrative Code,  
6 and every emergency or temporary regulation must be distributed in the  
7 same manner as the Nevada Administrative Code.  
8 2. *The legislative counsel shall:*  
9 (a) *Include each permanent regulation in the Nevada Administrative*  
10 *Code; and*  
11 (b) *Distribute in the same manner as the Nevada Administrative Code*  
12 *each emergency or temporary regulation,*  
13 *that is required to be adopted pursuant to the provisions of this chapter*  
14 *and which is adopted by an entity other than an agency.*  
15 3. The legislative commission may authorize inclusion in the Nevada  
16 Administrative Code of the regulations of an agency otherwise exempted  
17 from the requirements of this chapter.  
18 **Sec. 7.** NRS 354.602 is hereby repealed.  
19 **Sec. 8.** The provisions of subsection 1 of NRS 354.599 do not apply  
20 to any additional expenses of a local government that are related to the  
21 provisions of this act.  
22 **Sec. 9.** This act becomes effective on July 1, 2001.

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#### TEXT OF REPEALED SECTION

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##### **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



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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.

