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Amend the Bill as a Whole

Delete Sections 1. Through 14.

Section 1. Chapter 244 of NRS is hereby amended by adding hereto the provision set forth as Section 2 of this Act.

Sect. 2. *NRS 244.435 Limitation on Operation of Community Antenna Television Systems.*

(1) No governing authority of any County that is permitted to sell video programming services to subscribers over a community antenna television system under NRS 711.175(1) shall sell such services except in accordance with the following:

- (a) No video programming service or bundle containing such services shall be priced at less than the actual cost of the service or bundle of services.***
- (b) The governing authority may not use moneys from the County's General Fund for the provision of services by way of a community antenna television system.***
- (c) The governing authority may not use its rights of way, property or any other special power it may have by virtue of its status as a government or a government owned utility, to create a preference or advantage for its community antenna television system, or impose any discriminatory burden on the privately-owned community antenna television system.***

(2) The provisions of this section shall be enforced pursuant to NRS 354.624 section 4 (c) and NRS 354.624 section 5 (c).

(3) The provisions of this section do not create an exclusive remedy and do not abrogate or limit any other action or remedy that is available to the governing authority or private system pursuant to any other statute or the common law.

Sect. 3. *"Video programming service" means a service provided by a community antenna television system that includes programming provided by or generally considered comparable to programming provided by a television broadcast station.*

Sect. 4. NRS 711.175 is hereby amended to read as follows:

1. The governing body of a county whose populations is 50,000 or more, and any entity or agency over which such county exercises control, directly or indirectly, shall not sell the services of a community antenna television system to the general public except that this section shall not apply to the governing body of any county that is offering the services of a community antenna television system as of April 1, 2003.

2. The governing body of a city whose population is 25,000 or more and any entity or agency over which such city exercises control, directly or indirectly, shall not sell the services of a community antenna television system to the general public except that this section shall not apply to the governing body of any city that is offering the services of a community antenna television system as of April 1, 2003.

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Sect. 5. *In the event that a governmental entity owns, manages or operates a community antenna television system pursuant to NRS 711.175 (1) and (2), outside of its territorial boundaries, that portion of such system shall be required to obtain a franchise and shall be subject to all the same local, state and federal requirements as a privately held community antenna television company.*

Sect. 6. NRS 711.190(2) is hereby amended to read as follows:

If a local government grants a franchise to two or more community antenna television companies to construct, maintain or operate a community antenna television system in the same area, the local government shall impose the same terms and conditions on each franchise, and shall enforce such terms and conditions in a non-discriminatory fashion. No governmental entity that is permitted to sell the services of a community antenna television system under NRS 711.175 (1) and (2) shall construct, maintain or operate a community antenna television system within its geographical boundaries in an area governed by another governmental entity, and served by one or more private community antenna television companies without a franchise agreement or an inter-local agreement that imposes the same requirements on the community antenna television system owned or operated by the governmental entity as those imposed on the private community antenna television system. A prohibition on provision of free cable service to any government officer or employee, for his own personal use, shall be included in any inter-local agreement negotiated pursuant to this section.

Sect. 7. NRS 277.045 Cooperative agreements between political subdivisions for performance of governmental functions; budget for expenses.

1. Except as limited by NRS 280.105, *and NRS 711.175* any two or more political subdivisions of this state, including without limitation counties, incorporated cities and towns, unincorporated towns, school districts and special districts, may enter into a cooperative agreement for the performance of any governmental function. Such an agreement may include the furnishing or exchange of personnel, equipment, property or facilities of any kind, or the payment of money.

2. Every such agreement must be by formal resolution or ordinance of the governing body of each political subdivision included, and must be spread at large upon the minutes, or attached in full thereto as an exhibit, of each governing body.

3. Each participating political subdivision shall provide in its annual budget for any expense to be incurred under any such agreement, the money for which is not made available through grant, gift or other source.

(Added to NRS by 1965, 651; A 1967, 698; 1981, 645; 1985, 665; 1987, 535)

Sect. 8. NRS 354.624 Annual audit: Requirements; designation of accountant; scope and disposition.

1. Each local government shall provide for an annual audit of all of its financial statements. A local government may provide for more frequent audits as it deems necessary. Except as otherwise provided in subsection 2, each annual audit must be concluded and the report of the audit submitted to the governing body as provided in subsection 6 not later than 5 months after the close of the fiscal year for which the audit is conducted. An extension of this time may be granted by the department of taxation to any local government that submits an application for an extension to the department. If the local government fails to provide for an audit in accordance with the provisions of this section, the department of taxation shall cause the

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audit to be made at the expense of the local government. All audits must be conducted by a certified public accountant or by a partnership or professional corporation that is registered pursuant to chapter 628 of NRS.

2. The annual audit of a school district must:

(a) Be concluded and the report submitted to the board of trustees as provided in subsection 6 not later than 4 months after the close of the fiscal year for which the audit is conducted.

(b) If the school district has more than 150,000 pupils enrolled, include an audit of the expenditure by the school district of public money used:

(1) To design, construct or purchase new buildings for schools or related facilities;

(2) To enlarge, remodel or renovate existing buildings for schools or related facilities;
and

(3) To acquire sites for building schools or related facilities, or other real property for purposes related to schools.

3. The governing body may, without requiring competitive bids, designate the auditor or firm annually. The auditor or firm must be designated and notification of the auditor or firm designated must be sent to the department of taxation not later than 3 months before the close of the fiscal year for which the audit is to be made.

4. Each annual audit must cover the business of the local government during the full fiscal year. It must be a financial audit conducted in accordance with generally accepted auditing standards in the United States, including, findings on compliance with statutes and regulations and an expression of opinion on the financial statements. The department of taxation shall prescribe the form of the financial statements, and the chart of accounts must be as nearly as possible the same as the chart that is used in the preparation and publication of the annual budget. The report of the audit must include:

(a) A schedule of all fees imposed by the local government which were subject to the provisions of NRS 354.5989; and

(b) A comparison of the operations of the local government with the approved budget, including a statement from the auditor that indicates whether the governing body has taken action on the audit report for the prior year.

(c) for local governments subject to the provisions of NRS 244.435 sub 1 (a) and (b), a report showing compliance with the provisions of that section.

5. Each local government shall provide to its auditor:

(a) A statement indicating whether each of the following funds established by the local government is being used expressly for the purposes for which it was created, in the form required by NRS 354.6241:

(1) An enterprise fund.

(2) An internal service fund.

(3) A fiduciary fund.

(4) A self-insurance fund.

(5) A fund whose balance is required by law to be:

(I) Used only for a specific purpose other than the payment of compensation to a bargaining unit, as defined in NRS 288.028; or

(II) Carried forward to the succeeding fiscal year in any designated amount.

(b) A list and description of any property conveyed to a nonprofit organization pursuant to NRS 244.287 or 268.058.

(c) for local governments subject to the provisions of NRS 244.243 sub 1 (c), a declaration of compliance with that statute.

6. The opinion and findings of the auditor contained in the report of the audit must be presented at a meeting of the governing body held not more than 30 days after the report is submitted to it. Immediately thereafter, the entire report, together with the management letter

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required by generally accepted auditing standards in the United States or by regulations adopted pursuant to NRS 354.594, must be filed as a public record with:

- (a) The clerk or secretary of the governing body;
- (b) The county clerk;
- (c) The department of taxation; and
- (d) In the case of a school district, the department of education.

7. If an auditor finds evidence of fraud or dishonesty in the financial statements of a local government, the auditor shall report such evidence to the appropriate level of management in the local government.

8. The governing body shall act upon the recommendations of the report of the audit within 3 months after receipt of the report, unless prompter action is required concerning violations of law or regulation, by setting forth in its minutes its intention to adopt the recommendations, to adopt them with modifications or to reject them for reasons shown in the minutes.

(Added to NRS by 1965, 735; A 1967, 939; 1969, 800; 1971, 1344; 1973, 184; 1975, 451, 1688, 1801; 1977, 547; 1981, 313, 1768; 1987, 1043; 1989, 620; 1995, 1896, 1935; 1997, 574, 1611, 1739; 1999, 472, 2945; 2001, 1810)

Sect. 9. Section 6 of this act becomes effective on Oct 1, 2003

Sect 10. The remaining sections of this act becomes effective upon passage and approval.