

## Amendment No. 420

Senate Amendment to Senate Bill No. 184

(BDR 31-23)

**Proposed by:** Committee on Government Affairs**Amendment Box:****Resolves Conflicts with:** N/A**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION	Initial and Date	SENATE ACTION	Initial and Date
Adopted <input type="checkbox"/> Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/> Lost <input type="checkbox"/>	_____
Concurred In <input type="checkbox"/> Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/> Not <input type="checkbox"/>	_____
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Amend sec. 2, page 2, by deleting lines 7 through 13 and inserting:

***“2. The governing body of the local government or its designee shall appoint at least five members to the committee which:***

***(a) Must include:”.***

Amend sec. 2, page 2, line 14, by deleting “(c)” and inserting “(1)”.

Amend sec. 2, page 2, line 15, by deleting “(d)” and inserting “(2)”.

Amend sec. 2, page 2, by deleting lines 17 and 18 and inserting:

***“(3) A representative of the construction industry; and***

***(b) May include:***

***(1) A public officer or employee of the local government who manages the fiscal affairs of the local government; and***

JCB/KMG

Date: 4/21/2005

S.B. No. 184—Revises provisions relating to enterprise funds.



***(2) A public officer or employee of the local government who oversees directly the operation of the enterprise fund.”.***

Amend sec. 2, page 2, by deleting lines 20 and 21 and inserting:

***“term of at least 2 years but not to exceed 4 years. The governing body or its designee may”.***

Amend sec. 2, page 2, line 26, by deleting “***concerning:***” and inserting:

***“concerning, without limitation:”.***

Amend sec. 2, page 2, by deleting lines 27 through 30.

Amend sec. 2, page 2, line 31, by deleting “***(b)***” and inserting “***(a)***”.

Amend sec. 2, page 3, line 1, by deleting “***(c)***” and inserting “***(b)***”.

Amend sec. 2, page 3, line 4, by deleting “***(d)***” and inserting “***(c)***”.

Amend the bill as a whole by deleting sec. 3 and renumbering sections 4 through 9 as sections 3 through 8.

Amend sec. 4, page 4, lines 43 and 44, by deleting:

***“sections 2 and 3”*** and inserting “***section 2***”.

Amend sec. 5, page 5, lines 3 and 19, by deleting:

***“sections 2 and 3”*** and inserting “***section 2***”.

Amend sec. 6, page 5, by deleting line 23 and inserting “3, the”.

Amend sec. 6, page 5, lines 24 and 25, by deleting:

***“sections 2 and 3”*** and inserting “***section 2***”.

Amend sec. 6, page 5, line 26, by deleting:

***“sections 2 and 3”*** and inserting “***section 2***”.

Amend sec. 6, page 5, line 45, by deleting:

*“sections 2 and 3”* and inserting *“section 2”*.

Amend sec. 6, page 6, line 3, by deleting:

*“sections 2 and 3”* and inserting *“section 2”*.

Amend sec. 6, page 6, lines 7 and 8, by deleting:

*“sections 2 and 3”* and inserting *“section 2”*.

Amend sec. 7, page 6, line 15, by deleting:

*“sections 2 and 3”* and inserting *“section 2”*.

Amend sec. 8, pages 6 and 7, by deleting lines 38 through 45 on page 6 and lines 1 through 13 on page 7, and inserting:

“(e) “Current asset” means any cash maintained in an enterprise fund and any interest or other income earned on the money in the enterprise fund that, at the end of the current fiscal year, is anticipated by a local government to be consumed or converted into cash during the next ensuing fiscal year.

(f) “Current liability” means any debt incurred by a local government to provide the services associated with issuing building permits that, at the end of the current fiscal year, is determined by the local government to require payment within the next ensuing fiscal year.

(g) “Encroachment permit” means the official document issued by the building officer of a local government which authorizes construction activity within a public right-of-way.

(h) “Operating cost” means the amount paid by a local government for supplies, services, salaries, wages and employee benefits to provide the services associated with issuing building permits.

(i) “Working capital” means the excess of current assets over current liabilities, as determined by the local government at the end of the current fiscal year.”.

Amend sec. 8, page 7, line 43, after “(b)” by inserting:

***“The purpose of the enterprise fund is to recover the costs of operating the activity for which the fund was created, including overhead;***

***(c)”.***

Amend sec. 8, page 8, by deleting line 1 and inserting:

~~“(c) Except as otherwise provided in subsection 5, the~~

***(d) The local”.***

Amend sec. 8, page 8, by deleting lines 4 through 8 and inserting:

~~“months”]~~ ***50 percent of the annual*** operating costs ***and capital expenditures*** for the program for the issuance of barricade permits, encroachment permits and building permits of the local government ~~;~~  
and

~~—(d)],~~ ***as determined by the annual audit of the local government conducted pursuant to NRS 354.624; and***

***(e) The local government does not use any of the money in the”.***

Amend sec. 8, page 8, line 17, by deleting “~~5.—In~~” and inserting “5. ~~In~~”.

Amend sec. 8, pages 8 and 9, by deleting lines 33 through 45 on page 8 and lines 1 through 3 on page 9, and inserting:

~~“which must be used to pay for unanticipated capital replacement.~~

~~—6.]~~ Any amount in an enterprise fund created pursuant to this section that is designated for special use, including, without limitation, prepaid fees and any other amount subject to a contractual

agreement, must be identified as a restricted asset and must not be included as a current asset in the calculation of working capital.

~~[7.]~~ **6.** If a balance in excess of the amount authorized pursuant to ~~[subsections 4 and 5]~~ *paragraph (d) of subsection 4* is maintained in an enterprise fund created pursuant to this section at the close of 2 consecutive fiscal years, the local government shall reduce the fees for barricade permits, encroachment permits and building permits it charges by an amount that is sufficient to ensure that the balance in the enterprise fund at the close of the fiscal year next following those 2 consecutive fiscal years does not exceed the amount authorized pursuant to ~~[subsections 4 and 5.]~~ *paragraph (d) of subsection 4.”.*

Amend the bill as a whole by deleting sec. 10 and renumbering sec. 11 as sec. 9.

Amend sec. 11, page 10, line 21, by deleting:

“*sections 2 and 3*” and inserting “*section 2*”.

Amend the bill as a whole by deleting sec. 12 and renumbering sec. 13 as sec. 10.

Amend the title of the bill, fourth and fifth lines, by deleting:

“revising the provisions governing the use of enterprise funds;”.

**If this amendment is adopted, the Legislative  
Counsel's Digest will be changed to read as follows:**

**Legislative Counsel's Digest:**

Existing law establishes the manner in which a local government must administer its finances. (Chapter 354 of NRS) Existing law authorizes a local government to establish by resolution an enterprise fund. (NRS 354.612) Existing law authorizes a local government to create an enterprise fund exclusively for building permit fees, barricade permit fees and encroachment permit fees. (NRS 354.59891)

This bill requires a local government that creates an enterprise fund exclusively for building, barricade and encroachment permit fees to create a committee to provide recommendations relating to the operation of the enterprise fund. This bill establishes the composition and the duties of such a committee. The committee is authorized to issue opinions and recommendations concerning the adequacy of the fees charged for permits, the financial objectives and annual budget of the program for the issuance of permits and other matters related to the fund.

Under existing law, the Nevada Tax Commission is required to exempt a local government from the limitation on the increase of its building permit basis if the local government meets certain conditions in the operation of an enterprise fund exclusively for building permit fees, barricade permit fees and encroachment permit fees. (NRS 354.59891) These conditions include maintaining a balance in the fund that does not exceed a certain amount of unreserved working capital and expending money in the fund only for expenditures related to the permit program. If the enterprise fund maintains a balance which exceeds the authorized working capital and unreserved working

capital for 2 consecutive fiscal years, the local government is required to reduce the fees that it charges for the program or services associated with the enterprise fund.

This bill revises the maximum amount of unreserved working capital that may be maintained in an enterprise fund exclusively for building permit fees, barricade permit fees and encroachment permit fees. If the enterprise fund maintains a balance which exceeds the unreserved working capital for 2 consecutive fiscal years, the local government is required to reduce the fees that it charges for the program or services associated with the enterprise fund.