

CHAPTER.....

AN ACT relating to governmental administration; requiring certain state agencies to report information concerning capital improvements to the Legislature; requiring local governments to report information concerning capital improvements to the Legislature and the Department of Taxation; requiring the State Public Works Board to compile a report concerning projects of construction of state buildings that are financed by certain bonds or obligations; authorizing an additional date for the holding of budget hearings by certain local governments; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires local governments to establish and maintain records of their property and equipment. (NRS 354.625)

This bill requires local governments, in addition to any records established and maintained pursuant to existing law, and the Board of Regents to prepare a report concerning any capital improvements owned, leased or operated by the local government or the Board for each fiscal year. This bill also requires the Chief of the Buildings and Grounds Division of the Department of Administration to prepare a report concerning any capital improvements owned, leased pursuant to a lease-purchase agreement or operated by the State.

This bill requires the State Public Works Board to compile a report concerning projects of construction of state buildings that are financed by general obligation bonds, revenue bonds and medium-term obligations. The reports must be submitted to the Legislature annually and local governments must also submit the reports to the Department of Taxation.

Existing law provides that local governments other than counties, cities and school districts, must hold budget hearings on the third Thursday in May. (NRS 354.596)

This bill provides that local governments other than counties, cities and school districts, must hold budget hearings on the third Thursday in May or the Friday immediately succeeding the third Thursday in May.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 331 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Chief shall, for each fiscal year, compile a report concerning the capital improvements owned, leased pursuant to a lease-purchase agreement or operated by the State.

2. The report of the capital improvements required pursuant to subsection 1 must be prepared in such detail as is required by generally accepted accounting principles.

3. The Chief shall submit, in any format including an electronic format, a copy of the report compiled pursuant to

subsection 1 on or before February 1 of the year next succeeding the period to which the report pertains to the Director of the Legislative Counsel Bureau for distribution to each regular session of the Legislature.

Sec. 2. NRS 331.010 is hereby amended to read as follows:

331.010 As used in NRS 331.010 to 331.145, inclusive, *and section 1 of this act*, unless the context otherwise requires:

1. "Buildings and Grounds Division" means the Buildings and Grounds Division of the Department of Administration.

2. "Chief" means the Chief of the Buildings and Grounds Division.

3. "Director" means the Director of the Department Of Administration.

Sec. 3. Chapter 341 of NRS is hereby amended to read as follows:

1. *The Board shall, for each fiscal year, compile a report concerning projects of construction of state buildings that are financed by general obligation bonds, revenue bonds or medium-term obligations.*

2. *The report required to be compiled pursuant to subsection 1 must include:*

(a) *The source and amount of money received from the bonds and obligations during the fiscal year;*

(b) *A list of the projects completed during the fiscal year, including, without limitation, any change in the estimated cost of such a project and any change in the date for completion for such a project; and*

(c) *A list of projects under construction, the estimated cost of each of those projects, the date for completion of each of those projects and any changes in the estimated cost or date for completion of those projects.*

3. *The Board shall submit, in any format including an electronic format, a copy of the report compiled pursuant to subsection 1 on or before February 1 of the year next succeeding the period to which the report pertains to the Director of the Legislative Counsel Bureau for distribution to each regular session of the Legislature.*

Sec. 4. Chapter 354 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *In addition to the records and inventory controls established and maintained pursuant to NRS 354.625, the governing body of each local government shall, for each fiscal year, compile a report concerning the capital improvements owned, leased or operated by the local government.*

2. The report of the capital improvements required pursuant to subsection 1 must be prepared in such detail as is required by generally accepted accounting principles.

3. The governing body shall submit, in any format including an electronic format, a copy of the report compiled pursuant to subsection 1 on or before February 1 of the year next succeeding the period to which the report pertains to the Department of Taxation and the Director of the Legislative Counsel Bureau for distribution to each regular session of the Legislature.

Sec. 5. NRS 354.470 is hereby amended to read as follows:

354.470 NRS 354.470 to 354.626, inclusive, **and section 7 of this act** may be cited as the Local Government Budget and Finance Act.

Sec. 6. NRS 354.5945 is hereby amended to read as follows:

354.5945 1. Except as otherwise provided in subsection ~~16.1~~ **7**, on or before July 1 of each year, each local government shall prepare, on a form prescribed by the Department of Taxation for use by local governments, a capital improvement plan for the **fiscal year ending on June 30 of that year and the** ensuing 5 fiscal years.

2. Each local government shall submit a copy of the capital improvement plan of the local government to the:

(a) Department of Taxation; ~~and~~

(b) Debt management commission of the county in which the local government is located ~~1.1~~; **and**

(c) Director of the Legislative Counsel Bureau.

3. Each local government shall file a copy of the capital improvement plan of the local government for public record and inspection by the public in the offices of:

(a) The clerk or secretary of the governing body; and

(b) The county clerk.

4. The total amount of the expenditures contained in the capital improvement plan of the local government for the next ensuing fiscal year must equal the total amount of expenditures for capital outlay set forth in the final budget of the local government for each fund listed in that budget.

5. The capital improvement plan must include the estimated or actual revenues and expenditures for each capital project and the estimated or actual date for completion of each capital project.

6. The capital improvement plan must reconcile the capital outlay in each fund in the final budget for the first year of the capital improvement plan to the final budget in the next ensuing fiscal year. The reconciliation must identify the minimum level of expenditure for items classified as capital assets in the final budget and the minimum level of expenditure for items classified as capital projects in the capital improvement plan. The reconciliation of capital outlay

items in the capital improvement plan must be presented on forms created and distributed by the Department of Taxation.

~~16.1~~ 7. Local governments that are exempt from the requirements of the Local Government Budget and Finance Act pursuant to subsection 1 of NRS 354.475 are not required to file a capital improvement plan.

Sec. 7. NRS 354.596 is hereby amended to read as follows:

354.596 1. The officer charged by law shall prepare, or the governing body shall cause to be prepared, on appropriate forms prescribed by the Department of Taxation for the use of local governments, a tentative budget for the ensuing fiscal year. The tentative budget for the following fiscal year must be submitted to the county auditor and filed for public record and inspection in the office of:

- (a) The clerk or secretary of the governing body; and
- (b) The county clerk.

2. On or before April 15, a copy of the tentative budget must be submitted:

- (a) To the Department of Taxation; and
- (b) In the case of school districts, to the Department of Education.

3. At the time of filing the tentative budget, the governing body shall give notice of the time and place of a public hearing on the tentative budget and shall cause a notice of the hearing to be published once in a newspaper of general circulation within the area of the local government not more than 14 nor less than 7 days before the date set for the hearing. The notice of public hearing must state:

- (a) The time and place of the public hearing.
- (b) That a tentative budget has been prepared in such detail and on appropriate forms as prescribed by the Department of Taxation.
- (c) The places where copies of the tentative budget are on file and available for public inspection.

4. Budget hearings must be held:

- (a) For county budgets, on the third Monday in May;
- (b) For cities, on the third Tuesday in May;
- (c) For school districts, on the third Wednesday in May; and
- (d) For all other local governments, on the third Thursday in

May ~~or~~ *or the Friday immediately succeeding the third Thursday in May,*

→ except that the board of county commissioners may consolidate the hearing on all local government budgets administered by the board of county commissioners with the county budget hearing.

5. The Department of Taxation shall examine the submitted documents for compliance with law and with appropriate regulations and shall submit to the governing body at least 3 days before the public hearing a written certificate of compliance or a

written notice of lack of compliance. The written notice must indicate the manner in which the submitted documents fail to comply with law or appropriate regulations.

6. Whenever the governing body receives from the Department of Taxation a notice of lack of compliance, the governing body shall forthwith proceed to amend the tentative budget to effect compliance with the law and with the appropriate regulation.

Sec. 8. Chapter 396 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board of Regents shall, for each fiscal year, compile a report concerning the capital improvements owned, leased or operated by the System.

2. The report of the capital improvements required pursuant to subsection 1 must be prepared in such detail as is required by generally accepted accounting principles.

3. The Board of Regents shall, on or before February 1 of each year, submit, in any format including an electronic format, a copy of the report compiled pursuant to subsection 1 to the Director of the Legislative Counsel Bureau for distribution to each regular session of the Legislature.

