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AN ACT relating to debt management commissions; revising the date of the nonorganizational annual meeting of such a commission; authorizing the governing bodies of counties to reimburse certain members of such commissions for certain expenses; revising the dates for the submission by municipalities of certain annual statements and capital improvement plans to such commissions; prohibiting such commissions from adjourning meetings called to consider particular proposals in certain circumstances; 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. NRS 350.0115 is hereby amended to read as follows:

350.0115 1. There is hereby created in each county whose population is 400,000 or more ~~§~~ a debt management commission, to be composed of:

(a) Three representatives of the board of county commissioners from its membership;

(b) One representative of each governing body of the five largest incorporated cities in the county from its membership;

(c) One representative of the board of trustees of the county school district from its membership; and

(d) Two representatives of the public at large.

2. There is hereby created in each county whose population is less than 400,000 ~~§~~ a debt management commission, to be composed of one representative of the county, one representative of the school district and the following additional representatives:

(a) In each such county which contains more than one incorporated city:

(1) One representative of the city in which the county seat is located;

(2) One representative of the other incorporated cities jointly;
and

(3) One representative of the public at large.

(b) In each such county which contains one incorporated city:

(1) One representative of the incorporated city; and

(2) Two representatives of the public at large.

(c) In each such county which contains no incorporated city, one representative of the public at large.

(d) In each such county which contains one or more general improvement districts, one representative of the district or districts jointly and one additional representative of the public at large.

3. In Carson City, there is hereby created a debt management commission, to be composed of one representative of the Board of Supervisors, one representative of the school district and three representatives of the public at large. The representative of the Board of Supervisors and the representative of the school district shall select the representatives of the public at large and, for that purpose only, constitute a quorum of the debt management commission. Members of the commission serve for a term of 2 years beginning on January 1, or until their successors are chosen.

4. Except as otherwise provided in subsection 1, each representative of a single local government must be chosen by its governing body. Each representative of two or more local governments must be chosen by their governing bodies jointly, each governing body having one vote. Each representative of the general improvement districts must be chosen by their governing bodies jointly, each governing body having one vote. Each representative of the public at large must be chosen by the other members of the commission from residents of the county, or Carson City, as the case may be, who have a knowledge of its financial structure. A tie vote must be resolved by lot.

5. A person appointed as a member of the commission in a county whose population is 100,000 or more who is not an elected officer or a person appointed to an elective office for an unexpired term must have at least 5 years of experience in the field of public administration, public accounting or banking.

6. A person appointed as a member of the commission shall not have a substantial financial interest in the ownership or negotiation of securities issued by this State or any of its political subdivisions.

7. Except as otherwise provided in this subsection, members of the commission or their successors must be chosen in January of each odd-numbered year and hold office for a term of 2 years beginning January 1. The representatives of incorporated cities must be chosen after elections are held in the cities, but before the annual meeting of the commission in ~~July~~ **August**. The term of a representative who serves pursuant to paragraph (a), (b) or (c) of subsection 1 is coterminous with the term of his elected office, unless the public entity that appointed him revokes his appointment.

8. Any vacancy must be filled in the same manner as the original choice was made for the remainder of the unexpired term.

Sec. 2. NRS 350.012 is hereby amended to read as follows:

350.012 1. The commission shall meet during the month of February of each year ~~to~~ to organize by selecting a chairman and vice chairman. In a county whose population is 400,000 or more, the

chairman must be one of the representatives of the board of county commissioners. The county clerk is ex officio the secretary of the commission.

2. In addition to the organizational meeting, each commission shall meet annually in ~~July~~ **August** of each year and at the call of the chairman whenever business is presented, as provided in NRS 350.014 and 350.0145.

3. In conjunction with the meetings required by subsections 1 and 2, the commission in a county whose population:

(a) Is 100,000 or more but less than 400,000, shall meet each calendar quarter.

(b) Is 400,000 or more, shall meet each month.

↳ The meetings required by this subsection must be scheduled at each annual meeting in ~~July~~ **August**.

4. The appointing authority may remove a member of a commission in a county whose population:

(a) Is 400,000 or more if the member fails to attend three consecutive meetings or five meetings during a calendar year.

(b) Is 100,000 or more but less than 400,000 if the member fails to attend two consecutive meetings or three meetings during a calendar year.

(c) Is less than 100,000 if the member fails to attend at least one meeting during a calendar year.

5. Except as otherwise provided in subsection 3 of NRS 350.0115, a majority of the members constitutes a quorum for all purposes.

6. The governing body of the county may provide for the payment to members of the commission who serve as representatives of the public at large:

(a) Compensation of not more than \$40, as fixed by the governing body, for each day or portion of a day of attendance at a meeting of the commission, not to exceed \$400 paid to each such member per month.

(b) While engaged in the business of the commission, the per diem allowance and travel expenses generally provided for officers and employees of the county, if any.

Sec. 3. NRS 350.013 is hereby amended to read as follows:

350.013 1. Except as otherwise provided in this section, on or before ~~July~~ **August** 1 of each year, the governing body of a municipality which proposes to issue or has outstanding any general obligation debt, other general obligations or special obligations, or which levies or proposes to levy any special elective tax, shall submit to the Department of Taxation and the commission:

(a) A complete statement of current general obligation debt and special elective taxes, and a report of current debt and special

assessments and retirement schedules, in the detail and form established by the Committee on Local Government Finance.

(b) A complete statement, in the detail and form established by the Committee on Local Government Finance, of general obligation debt and special elective taxes contemplated to be submitted to the commission during the fiscal year.

(c) A written statement of the debt management policy of the municipality, which must include, without limitation:

(1) A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;

(2) A discussion of its capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit;

(3) A discussion of its general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this State;

(4) A discussion of its general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality;

(5) Policy regarding the manner in which the municipality expects to sell its debt;

(6) A discussion of its sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt; and

(7) A discussion of its operational costs and revenue sources, for the ensuing 5 fiscal years, associated with each project included in its plan for capital improvement submitted pursuant to paragraph (d), if those costs and revenues are expected to affect the property tax rate.

(d) Either:

(1) Its plan for capital improvement for the ensuing 5 fiscal years, which must include any contemplated issuance of general obligation debt during this period and the sources of money projected to be available to pay the debt; or

(2) A statement indicating that no changes are contemplated in its plan for capital improvement for the ensuing 5 fiscal years.

(e) A statement containing the name, title, mailing address and telephone number of the chief financial officer of the municipality.

2. The governing body of a municipality may combine a statement or plan required by subsection 1 with the corresponding statement or plan of another municipality if both municipalities have the same governing body or the governing bodies of both municipalities agree to such a combination.

3. Except as otherwise provided in subsection 4, the governing body of each municipality shall update all statements and plans required by subsection 1 not less frequently than once each fiscal year.

4. In a county whose population is 100,000 or more, the governing body of each municipality shall update all statements and plans required by subsection 1 not less often than once each fiscal year and not more often than twice each fiscal year, except that a municipality may update a statement or plan required by subsection 1 more often than twice each fiscal year:

(a) If the governing body determines, by a two-thirds vote, that an emergency requires that a statement or plan be updated;

(b) To include an item related to:

(1) An installment purchase that does not count against a debt limit; or

(2) An obligation for which no additional property tax is expected;

(c) To update the purpose of a special elective tax without changing the rate of the special elective tax; or

(d) To comply with the requirements of subsection 5 of NRS 268.625 or subsection 1 of NRS 350.091.

5. The provisions of this section do not apply to the Airport Authority of Washoe County so long as the Authority does not have any general obligation bonds outstanding and does not issue or propose to issue any such bonds. At least 30 days before each annual meeting of the commission, the Authority shall submit to the Department of Taxation a written statement regarding whether the Authority is planning to propose to issue any general obligation bonds before the next following annual meeting of the commission.

Sec. 4. NRS 350.0145 is hereby amended to read as follows:

350.0145 1. The governing body of the municipality proposing to incur general obligation debt, to enter an installment-purchase agreement with a term of more than 10 years or to levy a special elective tax and the board of trustees of a general improvement district whose population within its boundaries is less than 5,000 who proposes to issue a medium-term obligation or otherwise borrow money and issue any securities other than securities representing a general obligation debt or installment-purchase agreements with terms of 10 years or less H shall notify the secretary of each appropriate commission, and shall submit a statement of its proposal in sufficient number of copies for each member of the commission. The secretary, with the approval of the chairman, shall, within 10 days, give notice of a meeting, in the manner required by chapter 241 of NRS, to be held not more than 20 days thereafter. He shall provide a copy of the proposal to each member with the notice of the meeting H and mail notice of the

meeting to the chief financial officer of each municipality in the county which has complied with subsection 1 of NRS 350.013 within the past year.

2. The commission may grant a conditional or provisional approval of such proposal. Such conditions or provisions are limited to:

(a) The scheduling of:

(1) The issuance and retirement of securities, if the proposal is to incur general obligation debt; or

(2) The imposition of the tax, if the proposal is to levy a special elective tax; and

(b) If the proposal would result in a combined property tax rate in any of the overlapping entities within the county which exceeds 90 percent of the limit provided in NRS 361.453, a condition requiring a reduction in the amount of the proposed debt, installment-purchase agreement or special elective tax.

3. If the proposal is from a municipality, the commission may not approve any portion of the proposal that is not included in the statement filed pursuant to paragraph (b) of subsection 1 of NRS 350.013, as updated pursuant to subsection 3 or 4 of NRS 350.013.

4. The commission may adjourn a meeting called to consider a particular proposal no more than once, for no more than ~~[10 days.]~~ *60 days, except that the commission must approve or disapprove a proposal at least 30 days before the date on which the governing body that submitted the proposal is required to provide the proposal to the county clerk or city clerk pursuant to NRS 293.481.* Notification of the approval or disapproval of its proposal must be sent to the governing body within 3 days after the meeting.

Sec. 5. NRS 350.0155 is hereby amended to read as follows:

350.0155 At the annual meeting in ~~[July]~~ *August* required by NRS 350.012, the commission shall:

1. Specify a percentage, which must not be less than 75 percent, for the purposes of paragraph (d) of subsection 1 of NRS 350.015; and

2. Establish priorities among essential and nonessential facilities and services for the purposes of paragraph (d) of subsection 1 of NRS 350.015. Facilities and services relating to public safety, education and health must be considered essential facilities and services, and all other facilities and services must be considered nonessential facilities and services.

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

354.5945 1. Except as otherwise provided in subsection 6, ~~[on or before July 1 of each year,]~~ *annually* prepare, on a form prescribed by the Department of Taxation for use by local governments, a capital improvement plan for the ensuing 5 fiscal years.

2. ~~Each~~ *On or before August 1 of each year, 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.

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 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.

6. 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. This act becomes effective upon passage and approval.

