

## SENATE BILL NO. 465—COMMITTEE ON FINANCE

MARCH 26, 2007

## Referred to Committee on Finance

SUMMARY—Provides for the preparation of a legislative proposal for the budget for the State Government. (BDR 17-1071)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to the Legislature; requiring the Fiscal Analysis Division of the Legislative Counsel Bureau to prepare a legislative proposal for the budget for the State Government; requiring the Chief of the Budget Division of the Department of Administration to provide certain information to the Fiscal Analysis Division of the Legislative Counsel Bureau; repealing the provision that creates the Budget Subcommittee of the Legislative Commission; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

**Section 2** of this bill requires the Fiscal Analysis Division of the Legislative Counsel Bureau to prepare a legislative proposal for the budget for the State Government and to set forth the timeline in which the proposal must be prepared, as well as the contents that must be included in the proposal. **Section 3** of this bill establishes a new provision that requires the Interim Finance Committee to advise the Fiscal Analysis Division on matters pertaining to the preparation of the legislative proposal and to review relevant fiscal issues.

**Section 5** of this bill adds to the list of duties that must be performed by the Fiscal Analysis Division the duty to prepare the legislative proposal for the budget for the State Government. (NRS 218.686)

Existing law sets forth the required contents of the proposed budget for the Executive Department of the State Government for each fiscal year. (NRS 353.205) **Section 6** of this bill eliminates the requirement that a copy of each part of the proposed budget must be transmitted to the Fiscal Analysis Division as soon as it is prepared. **Section 6** also eliminates the provision relating to confidentiality.

**Section 7** of this bill changes the date when the Chief of the Budget Division of the Department of Administration must provide to the Fiscal Analysis Division



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information relating to budget files for the previous year, work programs for the current year and each agency's requested budget for the next 2 fiscal years, from October 15 of each even-numbered year to September 1 of each even-numbered year. (NRS 353.211) **Section 7** also changes the date when the Chief must provide to the Fiscal Analysis Division each agency's adjusted base budget by budgetary account for the next 2 fiscal years and an estimated range for certain anticipated costs, from December 31 of each even-numbered year to December 15 of each even-numbered year. **Section 7** further requires the Chief to carry out certain duties in accordance with the preparation of the proposed budget of the Executive Department of the State Government.

**Section 8** of this bill repeals the provision that creates the Budget Subcommittee of the Legislative Commission. (NRS 218.6824)

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

**Section 1.** Chapter 218 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

**Sec. 2. 1. *The Fiscal Analysis Division shall prepare the legislative proposal for the budget for the State Government for each biennium for presentation to the Legislature for its consideration not later than the second day of each regular session of the Legislature.***

**2. *The legislative proposal for the budget must include:***

**(a) *A complete financial plan for the next 2 fiscal years;***

**(b) *All proposed expenditures for the administration, operation and maintenance of the departments, institutions and agencies of the State Government, including, without limitation, those operating on money designated for specific purposes by the Constitution of this State or otherwise;***

**(c) *All interest and debt redemption charges during the next 2 fiscal years;***

**(d) *All expenditures for capital projects to be undertaken and executed during the next 2 fiscal years; and***

**(e) *The anticipated revenue of the State Government and any other additional means of financing the expenditures proposed for the next 2 fiscal years.***

**Sec. 3. *The Interim Finance Committee shall:***

**1. *Advise the Fiscal Analysis Division on matters pertaining to the preparation of the legislative proposal for the budget for the State Government pursuant to section 2 of this act;***

**2. *Review fiscal issues that may require consideration by the Legislature at the next regular session of the Legislature; and***

**3. *Carry out the duties set forth in this section before the commencement of the next regular session of the Legislature.***



1     **Sec. 4.** NRS 218.610 is hereby amended to read as follows:  
2     218.610 As used in NRS 218.610 to 218.735, inclusive, **and**  
3     **sections 2 and 3 of this act**, “agency of the State” includes all  
4     offices, departments, boards, commissions and institutions of the  
5     State.

6     **Sec. 5.** NRS 218.686 is hereby amended to read as follows:  
7     218.686 1. The Fiscal Analysis Division consists of the  
8     Senate Fiscal Analyst, the Assembly Fiscal Analyst and such  
9     additional staff as the performance of their duties may require.

10    2. The Fiscal Analysis Division shall:

11    (a) Thoroughly examine all agencies of the State with special  
12    regard to their activities and the duplication of efforts between them.

13    (b) Recommend to the Legislature any suggested changes  
14    looking toward economy and the elimination of inefficiency in  
15    government.

16    (c) Ascertain facts and make recommendations to the  
17    Legislature concerning the budget of the State and the estimates of  
18    the expenditure requirements of the agencies of the State.

19    (d) **Prepare the legislative proposal for the budget for the State**  
20    **Government pursuant to section 2 of this act.**

21    (e) Make projections of future public revenues for the use of the  
22    Legislature.

23    ~~(e)~~ (f) Analyze the history and probable future trend of the  
24    State’s financial position in order that a sound fiscal policy may be  
25    developed and maintained for the State of Nevada.

26    ~~(f)~~ (g) Analyze appropriation bills, revenue bills, and bills  
27    having a fiscal impact upon the operation of the government of the  
28    State of Nevada or its political subdivisions.

29    ~~(g)~~ (h) Advise the Legislature and the members and  
30    committees thereof regarding matters of a fiscal nature.

31    ~~(h)~~ (i) Perform such other functions as may be assigned to the  
32    Fiscal Analysis Division by the Legislature, the Legislative  
33    Commission or the Director of the Legislative Counsel Bureau.

34    **Sec. 6.** NRS 353.205 is hereby amended to read as follows:

35    353.205 ~~(1)~~ The proposed budget for the Executive  
36    Department of the State Government for each fiscal year must be set  
37    up in three parts:

38    ~~(a)~~ 1. Part 1 must consist of a budgetary message by the  
39    Governor ~~[which]~~ **that** outlines the financial policy of the Executive  
40    Department of the State Government for the next 2 fiscal years,  
41    describing in connection therewith the important features of the  
42    financial plan. It must also embrace a general summary of the  
43    proposed budget setting forth the aggregate figures of the proposed  
44    budget in such a manner as to show the balanced relations between  
45    the total proposed expenditures and the total anticipated revenues,



1 together with the other means of financing the proposed budget for  
2 the next 2 fiscal years, contrasted with the corresponding figures for  
3 the last completed fiscal year and fiscal year in progress. The  
4 general summary of the proposed budget must be supported by  
5 explanatory schedules or statements, classifying the expenditures  
6 contained therein by organizational units, objects and funds, and the  
7 income by organizational units, sources and funds.

8 ~~(b)~~ 2. Part 2 must embrace the detailed budgetary estimates  
9 both of expenditures and revenues as provided in NRS 353.150 to  
10 353.246, inclusive. The information must be presented in a manner  
11 which sets forth separately the cost of continuing each program at  
12 the same level of service as the current year and the cost, by  
13 budgetary issue, of any recommendations to enhance or reduce that  
14 level of service. Revenues must be summarized by type, and  
15 expenditures must be summarized by category of expense. Part 2  
16 must include a mission statement and measurement indicators for  
17 each program. It must also include statements of the bonded  
18 indebtedness of the State Government, showing the requirements for  
19 redemption of debt, the debt authorized and unissued, and the  
20 condition of the sinking funds, and any statements relative to the  
21 financial plan which the Governor may deem desirable, or which  
22 may be required by the Legislature.

23 ~~(e)~~ 3. Part 3 must include a recommendation to the  
24 Legislature for the drafting of a general appropriation bill  
25 authorizing, by departments, institutions and agencies, and by funds,  
26 all expenditures of the Executive Department of the State  
27 Government for the next 2 fiscal years, and may include  
28 recommendations to the Legislature for the drafting of such other  
29 bills as may be required to provide the income necessary to finance  
30 the proposed budget and to give legal sanction to the financial plan  
31 if adopted by the Legislature.

32 ~~[2. Except as otherwise provided in NRS 353.211, as soon as~~  
33 ~~each part of the proposed budget is prepared, a copy of the part must~~  
34 ~~be transmitted to the Fiscal Analysis Division of the Legislative~~  
35 ~~Counsel Bureau for confidential examination and retention.]~~

36 ~~3. Except for the information provided to the Fiscal Analysis~~  
37 ~~Division of the Legislative Counsel Bureau pursuant to NRS~~  
38 ~~353.211, parts 1 and 2 of the proposed budget are confidential until~~  
39 ~~the Governor transmits the proposed budget to the Legislature~~  
40 ~~pursuant to NRS 353.230, regardless of whether those parts are in~~  
41 ~~the possession of the Executive or Legislative Department of the~~  
42 ~~State Government. Part 3 of the proposed budget is confidential~~  
43 ~~until the bills which result from the proposed budget are introduced~~  
44 ~~in the Legislature.]~~



Sec. 7. NRS 353.211 is hereby amended to read as follows:

353.211 1. On or before ~~October 15~~ *September 1* of each even-numbered year, the Chief shall provide to the Fiscal Analysis Division of the Legislative Counsel Bureau:

(a) Computerized budget files containing the actual data regarding revenues and expenditures for the previous year;

(b) The work programs for the current year; and

(c) Each agency's requested budget for the next 2 fiscal years.

2. On or before December ~~31~~ *15* of each even-numbered year, the Chief shall provide to the Fiscal Analysis *Division in printed form, in a form available for access by computer and in any other form or on any other medium requested by the Fiscal Analysis* Division:

(a) Each agency's adjusted base budget by budgetary account for the next 2 fiscal years ~~H~~ and *any readily available, related information requested by the Fiscal Analysis Division; and*

(b) An estimated range of the costs for:

(1) Continuing the operation of State Government; and

(2) Providing elementary, secondary and higher public education,

↳ at the current level of service.

3. *The Chief shall:*

(a) *Consult with the Fiscal Analysis Division when preparing the proposed budget of the Executive Department of the State Government to establish identical organizational coding schemes and coding schemes for the computer to be used in the proposed budget of the Executive Department of the State Government and the legislative proposal for the budget prepared pursuant to section 2 of this act.*

(b) *As soon as each part of the proposed budget of the Executive Department of the State Government is prepared and not later than the date the part is sent to the printer, provide that part to the Fiscal Analysis Division.*

4. *The Chief shall provide each part of the proposed budget and the final version of the proposed budget pursuant to subsection 3 in printed form, in a form available for access by computer, and in any other form or on any other medium requested by the Fiscal Analysis Division. The final version of the proposed budget must be available in a form that allows automated comparison with the legislative proposal for the budget prepared pursuant to section 2 of this act.*

5. *The Fiscal Analysis Division shall not disclose the contents of part 3 of the final version of the proposed budget described in subsection 3 of NRS 353.205 until the bills that result from the*



1 *final version of the proposed budget are introduced in the*  
2 *Legislature.*

3 **6.** The information provided to the Fiscal Analysis Division  
4 pursuant to subsections 1 and 2 is open for public inspection.

5 **Sec. 8.** NRS 218.6824 is hereby repealed.

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**TEXT OF REPEALED SECTION**

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**218.6824 Legislative Commission: Budget Subcommittee.**

1. There is hereby created a Budget Subcommittee of the Legislative Commission.

2. The Chairman of the Legislative Commission shall appoint to the Subcommittee the persons designated by the Speaker designate of the Assembly to be members of the Assembly Standing Committee on Ways and Means and the persons designated by the Majority Leader designate of the Senate to be members of the Senate Standing Committee on Finance for the next ensuing session of the Legislature.

3. The Budget Subcommittee shall conclude its activities before the next regular legislative session is convened.

4. The Budget Subcommittee shall consider fiscal issues that may require consideration by the Legislature at the next ensuing session.

