

ASSEMBLY BILL NO. 330—ASSEMBLYMAN OCEGUERA

MARCH 21, 2011

Referred to Committee on Government Affairs

SUMMARY—Makes various changes to provisions relating to certain government contracts. (BDR 19-965)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 government contracts; declaring privatization contracts to be public records; requiring governmental entities to submit certain information to the Chief of the Budget Division of the Department of Administration relating to the use of privatization contracts; requiring state agencies and local governments to include certain information relating to privatization contracts in the tentative budget of the state agency or local government; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Under existing law, all public books and records of a governmental entity, the
2 contents of which are not otherwise declared by law to be confidential or which the
3 governmental entity determines pursuant to a balancing test must not be disclosed,
4 must be open at all times during office hours for inspection and copying. (NRS
5 239.010) **Section 1** of this bill declares to be a public record any privatization
6 contract, defined in **section 3** of this bill as a contract executed by or on behalf of a
7 governmental entity which authorizes a private entity to provide public services that
8 are: (1) substantially similar to the services performed by the public employees of
9 the governmental entity; and (2) in lieu of the services otherwise required to be
10 provided by the governmental entity.

11 On or before September 1 of each even-numbered year, existing law requires
12 all departments, institutions and other agencies of the Executive Department of the
13 State Government to submit to the Chief of the Budget Division of the Department
14 of Administration information regarding any existing contracts the department,
15 institution or agency has with consultants or temporary employment services, the
16 proposed expenditures for such contracts in the next 2 fiscal years and the reasons
17 for the use of such consultants or services. (NRS 353.210) **Section 7** of this bill
18 requires that if such contracts are privatization contracts, the department, institution



or agency must also submit a copy of each of the privatization contracts together with information regarding the duration and number of such contracts, as well as an analysis of the privatization contracts which includes a comparison of the use of the persons employed under the privatization contracts with the costs if the services were provided by regular full-time employees of the department, institution or agency. **Section 7** further requires the information regarding contracts entered into by the department, institution or agency to be made open to public inspection. **Section 8** of this bill requires a local government to provide the same disclosures regarding any contracts it has entered into while preparing a tentative budget, and to make such information open to public inspection. Because the budgetary process of local governments is required to be used by many other units of government, the provisions of **section 8** also require the disclosures required regarding contracts a government agency has entered into to be provided while preparing a tentative budget by the following entities: (1) transportation districts; (2) districts for the support of public parks; (3) consolidated, district or town libraries; (4) county hospital districts; and (5) county fire protection districts.

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

Section 1. Chapter 239 of NRS is hereby amended by adding thereto a new section to read as follows:

Any privatization contract executed by or on behalf of a governmental entity is a public record and must be open to public inspection during the regular business hours of the governmental entity.

Sec. 2. NRS 239.001 is hereby amended to read as follows:

239.001 The Legislature hereby finds and declares that:

1. The purpose of this chapter is to foster democratic principles by providing members of the public with access to inspect and copy public books and records to the extent permitted by law;

2. The provisions of this chapter must be construed liberally to carry out this important purpose; ~~and~~

3. Any exemption, exception or balancing of interests which limits or restricts access to public books and records by members of the public must be construed narrowly ~~to~~; and

4. The use of private entities in the provision of public services must not deprive members of the public access to inspect and copy books and records relating to the provision of those services.

Sec. 3. NRS 239.005 is hereby amended to read as follows:

239.005 As used in this chapter, unless the context otherwise requires:

1. "Actual cost" means the direct cost related to the reproduction of a public record. The term does not include a cost that a governmental entity incurs regardless of whether or not a person requests a copy of a particular public record.



2. "Committee" means the Committee to Approve Schedules for the Retention and Disposition of Official State Records.

3. "Division" means the Division of State Library and Archives of the Department of Cultural Affairs.

4. "Governmental entity" means:

(a) An elected or appointed officer of this State or of a political subdivision of this State;

(b) An institution, board, commission, bureau, council, department, division, authority or other unit of government of this State or of a political subdivision of this State;

(c) A university foundation, as defined in NRS 396.405; or

(d) An educational foundation, as defined in NRS 388.750, to the extent that the foundation is dedicated to the assistance of public schools.

5. "Privatization contract" means a contract executed by or on behalf of a governmental entity which authorizes a private entity to provide public services that are:

(a) Substantially similar to the services provided by the public employees of the governmental entity; and

(b) In lieu of the services otherwise authorized or required to be provided by the governmental entity.

Sec. 4. NRS 244A.252 is hereby amended to read as follows:

244A.252 1. A board of county commissioners may by ordinance, but not as in a case of emergency, create one or more transportation districts in the unincorporated area of the county. The board of county commissioners is ex officio the governing body of any district created pursuant to this section and may:

(a) Organize and maintain the district.

(b) Establish, by ordinance, regulations:

(1) For the administration of its internal affairs.

(2) For the employment of professional, technical, clerical and other personnel necessary to carry out its duties.

(3) For the establishment and alteration of the boundaries of the district.

(4) Providing for the use of revenue received by the district.

(c) Hold meetings as the governing body of a district in conjunction with its meetings as the board of county commissioners without posting a separate agenda or posting additional notices of the meetings within the district.

(d) Cause a special or general district election to be held in the same manner as provided for other such elections in title 24 of NRS for the purpose of submitting a question pursuant to paragraph (b) of subsection 1 of NRS 244.3351 or paragraph (b) of subsection 1 of NRS 278.710, or both, or cause the question or questions to be submitted at a primary or general state election.



2. A special election may be held only if the board of county commissioners determines, by a unanimous vote, that an emergency exists. The determination made by the board is conclusive unless it is shown that the board acted with fraud or a gross abuse of discretion. An action to challenge the determination made by the board must be commenced within 15 days after the board's determination is final. As used in this subsection, "emergency" means any unexpected occurrence or combination of occurrences which requires immediate action by the board of county commissioners to prevent or mitigate a substantial financial loss to the district or county or to enable the board to provide an essential service to the residents of the county.

3. The budget of a district created pursuant to this section must comply with the provisions of NRS 354.470 to 354.626, inclusive ~~and section 8 of this act.~~

4. All persons employed to perform the functions of a district are employees of the county for all purposes.

Sec. 5. NRS 244A.789 is hereby amended to read as follows:

244A.789 1. The budget of a district for the support of public parks must comply with the provisions of NRS 354.470 to 354.626, inclusive, *and section 8 of this act* but need not be separately prepared and may be included within the county budget. The district is not entitled to any share of revenue from the supplemental city-county relief tax.

2. The governing body may submit to the registered voters of the district at a primary or general election:

(a) A proposal to issue general obligation bonds of the district to finance the acquisition, construction, equipment and improvement of one or more park projects within the district, or outside the district if the governing body finds that the park project will benefit the residents of the district, but the amount of general obligation bonds or other securities so issued may not exceed 10 percent of the assessed valuation of the taxable property in the district. The ballot question for such a proposal must contain the principal amount of the general obligation bonds to be issued, the purpose of the issuance of the bonds and the estimate established by the governing body of:

(1) The duration of the levy of property tax that will be used to pay the general obligations; and

(2) The average annual increase, if any, in the amount of property taxes that an owner of a new home with a fair market value of \$100,000 will pay for debt service on the general obligation bonds to be issued.

(b) A proposal to levy a tax ad valorem pursuant to NRS 354.5982 for:



- 1 (1) Any of the purposes described in paragraph (a);
- 2 (2) Maintenance of public parks located within the district;
- 3 (3) Maintenance of public parks located outside the district if
- 4 the governing body finds that the parks benefit the residents of the
- 5 district; or
- 6 (4) Any combination of those purposes.

7 3. The ballot question for a proposal submitted to the registered
8 voters pursuant to paragraph (b) of subsection 2 must contain the
9 rate of the proposed additional property tax stated in dollars and
10 cents per \$100 assessed valuation, the purpose of the proposed
11 additional property tax, the duration of the proposed additional
12 property tax and an estimate established by the governing body of
13 the increase in the amount of property taxes that an owner of a new
14 home with a fair market value of \$100,000 will pay per year as a
15 result of the passage of the question.

16 4. As used in this section, "park project" has the meaning
17 ascribed to it in NRS 244A.039.

18 5. If the proposal to issue bonds is approved by the voters, the
19 county may issue bonds of the district as provided in chapter 350 of
20 NRS.

21 **Sec. 6.** NRS 268.442 is hereby amended to read as follows:

22 268.442 1. The governing body of a city may by ordinance,
23 but not as in a case of emergency, create one or more transportation
24 districts in the incorporated area of the city. The governing body of
25 the city is ex officio the governing body of any district created
26 pursuant to this section and may:

27 (a) Organize and maintain the district.

28 (b) Establish, by ordinance, regulations:

29 (1) For the administration of its internal affairs.

30 (2) For the employment of professional, technical, clerical
31 and other personnel necessary to carry out its duties.

32 (3) For the establishment and alteration of the boundaries of
33 the district.

34 (4) Providing for the use of revenue received by the district.

35 (c) Hold meetings as the governing body of a district in
36 conjunction with its meetings as the governing body of the city
37 without posting a separate agenda or posting additional notices of
38 the meetings within the district.

39 2. The budget of a district created pursuant to this section must
40 comply with NRS 354.470 to 354.626, inclusive ~~§~~, and *section 8*
41 *of this act*.

42 3. All persons employed to perform the functions of a district
43 are employees of the city for all purposes.



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Sec. 7. NRS 353.210 is hereby amended to read as follows:

353.210 1. Except as otherwise provided in subsection 6, on or before September 1 of each even-numbered year, all departments, institutions and other agencies of the Executive Department of the State Government, and all agencies of the Executive Department of the State Government receiving state money, fees or other money under the authority of the State, including those operating on money designated for specific purposes by the Nevada Constitution or otherwise, shall prepare, on blanks furnished them by the Chief, and submit to the Chief:

(a) The number of positions within the department, institution or agency that have been vacant for at least 12 months, the number of months each such position has been vacant and the reasons for each such vacancy . ~~{ }~~

(b) Any existing contracts the department, institution or agency has with ~~{consultants}~~ *persons* or temporary employment services, the proposed expenditures for such contracts in the next 2 fiscal years and the reasons for the use of such ~~{consultants}~~ *persons* or services . ~~{; and}~~ *If such contracts include any privatization contracts, a copy of each of those privatization contracts together with:*

(1) A statement specifying the duration of the privatization contracts;

(2) The number of privatization contracts proposed for the next 2 fiscal years and the estimated expenditures for the privatization contracts; and

(3) An analysis of each of the privatization contracts, which includes, without limitation:

(I) For the preceding, current and next fiscal years, the annual amount required to perform each of the privatization contracts; and

(II) For the preceding and current fiscal years, the number of persons the department, institution or agency employed pursuant to the privatization contracts, reflected as the equivalent full-time position if the persons were regularly employed by the department, institution or agency, including the equivalent hourly wage and the cost of benefits for each job classification.

(c) Estimates of ~~{their}~~ expenditure requirements ~~{ }~~ *of the department, institution or agency*, together with all anticipated income from fees and all other sources, for the next 2 fiscal years compared with the corresponding figures of the last completed fiscal year and the estimated figures for the current fiscal year.

2. The Chief shall direct that one copy of the forms submitted pursuant to subsection 1, accompanied by every supporting schedule and any other related material, be delivered directly to the Fiscal



1 Analysis Division of the Legislative Counsel Bureau on or before
2 September 1 of each even-numbered year.

3 3. The Budget Division of the Department of Administration
4 shall give advance notice to the Fiscal Analysis Division of the
5 Legislative Counsel Bureau of any conference between the Budget
6 Division of the Department of Administration and personnel of
7 other state agencies regarding budget estimates. A Fiscal Analyst of
8 the Legislative Counsel Bureau or his or her designated
9 representative may attend any such conference.

10 4. The estimates of expenditure requirements submitted
11 pursuant to subsection 1 must be classified to set forth the data of
12 funds, organizational units, and the character and objects of
13 expenditures, and must include a mission statement and
14 measurement indicators for each program. The organizational units
15 may be subclassified by functions and activities, or in any other
16 manner at the discretion of the Chief.

17 5. If any department, institution or other agency of the
18 Executive Department of the State Government, whether its money
19 is derived from state money or from other money collected under
20 the authority of the State, fails or neglects to submit estimates of its
21 expenditure requirements as provided in this section, the Chief may,
22 from any data at hand in the Chief's office or which the Chief may
23 examine or obtain elsewhere, make and enter a proposed budget for
24 the department, institution or agency in accordance with the data.

25 6. Agencies, bureaus, commissions and officers of the
26 Legislative Department, the Public Employees' Retirement System
27 and the Judicial Department of the State Government shall submit to
28 the Chief for his or her information in preparing the proposed
29 executive budget the budgets which they propose to submit to the
30 Legislature.

31 *7. The information provided by a department, institution or*
32 *agency pursuant to paragraph (b) of subsection 1 is a public*
33 *record and must be open to public inspection.*

34 *8. As used in this section, "privatization contract" means a*
35 *contract executed by or on behalf of a department, institution or*
36 *agency which authorizes a private entity to provide public services*
37 *which are:*

38 *(a) Substantially similar to the services performed by the*
39 *public employees of the department, institution or agency; and*

40 *(b) In lieu of the services otherwise authorized or required to*
41 *be provided by the department, institution or agency.*

42 **Sec. 8.** Chapter 354 of NRS is hereby amended by adding
43 thereto a new section to read as follows:

44 *1. In preparing a tentative budget pursuant to NRS 354.596,*
45 *the governing body of a local government shall prepare and*



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1 *include a list of any existing contracts the local government has*
2 *with persons or temporary employment services, the proposed*
3 *expenditures for such contracts in the next 2 fiscal years and the*
4 *reasons for the use of such persons or services. If such contracts*
5 *include privatization contracts, the local government must include*
6 *in the list:*

7 (a) *The duration of such contracts;*

8 (b) *The number of privatization contracts proposed for the*
9 *next 2 fiscal years and the estimated expenditures for such*
10 *contracts; and*

11 (c) *A summary of the number of persons the local government*
12 *proposes to employ pursuant to each contract, reflected as their*
13 *equivalent full-time positions if the persons were employed*
14 *regularly by the local government, and their equivalent hourly*
15 *wage.*

16 2. *The list prepared pursuant to this section is a public record*
17 *and must be open to public inspection.*

18 3. *As used in this section, "privatization contract" means a*
19 *contract executed by or on behalf of a local government which*
20 *authorizes a private entity to provide public services which are:*

21 (a) *Substantially similar to the services provided by the public*
22 *employees of the local government; and*

23 (b) *In lieu of the services otherwise authorized or required to*
24 *be provided by the local government.*

25 **Sec. 9.** NRS 354.474 is hereby amended to read as follows:

26 354.474 1. Except as otherwise provided in subsections 2 and
27 3, the provisions of NRS 354.470 to 354.626, inclusive, *and section*
28 *8 of this act* apply to all local governments. For the purpose of NRS
29 354.470 to 354.626, inclusive ~~§~~, *and section 8 of this act:*

30 (a) "Local government" means every political subdivision or
31 other entity which has the right to levy or receive money from ad
32 valorem or other taxes or any mandatory assessments, and includes,
33 without limitation, counties, cities, towns, boards, school districts
34 and other districts organized pursuant to chapters 244A, 309, 318
35 and 379 of NRS, NRS 450.550 to 450.750, inclusive, and chapters
36 474, 541, 543 and 555 of NRS, and any agency or department of a
37 county or city which prepares a budget separate from that of the
38 parent political subdivision.

39 (b) "Local government" does not include the Nevada Rural
40 Housing Authority.

41 2. An irrigation district organized pursuant to chapter 539 of
42 NRS shall fix rates and levy assessments as provided in NRS
43 539.667 to 539.683, inclusive. The levy of such assessments and the
44 posting and publication of claims and annual financial statements as
45 required by chapter 539 of NRS shall be deemed compliance with



1 the budgeting, filing and publication requirements of NRS 354.470
2 to 354.626, inclusive, *and section 8 of this act*, but any such
3 irrigation district which levies an ad valorem tax shall comply with
4 the filing and publication requirements of NRS 354.470 to 354.626,
5 inclusive, *and section 8 of this act* in addition to the requirements of
6 chapter 539 of NRS.

7 3. An electric light and power district created pursuant to
8 chapter 318 of NRS shall be deemed to have fulfilled the
9 requirements of NRS 354.470 to 354.626, inclusive, *and section 8*
10 *of this act* for a year in which the district does not issue bonds or
11 levy an assessment if the district files with the Department of
12 Taxation a copy of all documents relating to its budget for that year
13 which the district submitted to the Rural Utilities Service of the
14 United States Department of Agriculture.

15 **Sec. 10.** NRS 354.476 is hereby amended to read as follows:

16 354.476 As used in NRS 354.470 to 354.626, inclusive, *and*
17 *section 8 of this act*, unless the context otherwise requires, the
18 words and terms defined in NRS 354.479 to 354.578, inclusive,
19 have the meanings ascribed to them in those sections.

20 **Sec. 11.** NRS 354.626 is hereby amended to read as follows:

21 354.626 1. No governing body or member thereof, officer,
22 office, department or agency may, during any fiscal year, expend or
23 contract to expend any money or incur any liability, or enter into
24 any contract which by its terms involves the expenditure of money,
25 in excess of the amounts appropriated for that function, other than
26 bond repayments, medium-term obligation repayments and any
27 other long-term contract expressly authorized by law. Any officer or
28 employee of a local government who willfully violates NRS
29 354.470 to 354.626, inclusive, *and section 8 of this act* is guilty of a
30 misdemeanor and upon conviction thereof ceases to hold his or her
31 office or employment. Prosecution for any violation of this section
32 may be conducted by the Attorney General or, in the case of
33 incorporated cities, school districts or special districts, by the district
34 attorney.

35 2. Without limiting the generality of the exceptions contained
36 in subsection 1, the provisions of this section specifically do not
37 apply to:

38 (a) Purchase of coverage and professional services directly
39 related to a program of insurance which require an audit at the end
40 of the term thereof.

41 (b) Long-term cooperative agreements as authorized by chapter
42 277 of NRS.

43 (c) Long-term contracts in connection with planning and zoning
44 as authorized by NRS 278.010 to 278.630, inclusive.



(d) Long-term contracts for the purchase of utility service such as, but not limited to, heat, light, sewerage, power, water and telephone service.

(e) Contracts between a local government and an employee covering professional services to be performed within 24 months following the date of such contract or contracts entered into between local government employers and employee organizations.

(f) Contracts between a local government and any person for the construction or completion of public works, money for which has been or will be provided by the proceeds of a sale of bonds, medium-term obligations or an installment-purchase agreement and that are entered into by the local government after:

(1) Any election required for the approval of the bonds or installment-purchase agreement has been held;

(2) Any approvals by any other governmental entity required to be obtained before the bonds, medium-term obligations or installment-purchase agreement can be issued have been obtained; and

(3) The ordinance or resolution that specifies each of the terms of the bonds, medium-term obligations or installment-purchase agreement, except those terms that are set forth in subsection 2 of NRS 350.165, has been adopted.

➤ Neither the fund balance of a governmental fund nor the equity balance in any proprietary fund may be used unless appropriated in a manner provided by law.

(g) Contracts which are entered into by a local government and delivered to any person solely for the purpose of acquiring supplies, services and equipment necessarily ordered in the current fiscal year for use in an ensuing fiscal year and which, under the method of accounting adopted by the local government, will be charged against an appropriation of a subsequent fiscal year. Purchase orders evidencing such contracts are public records available for inspection by any person on demand.

(h) Long-term contracts for the furnishing of television or FM radio broadcast translator signals as authorized by NRS 269.127.

(i) The receipt and proper expenditure of money received pursuant to a grant awarded by an agency of the Federal Government.

(j) The incurrence of obligations beyond the current fiscal year under a lease or contract for installment purchase which contains a provision that the obligation incurred thereby is extinguished by the failure of the governing body to appropriate money for the ensuing fiscal year for the payment of the amounts then due.

(k) The receipt by a local government of increased revenue that:



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(1) Was not anticipated in the preparation of the final budget of the local government; and

(2) Is required by statute to be remitted to another governmental entity.

(l) An agreement authorized pursuant to NRS 277A.370.

Sec. 12. NRS 379.025 is hereby amended to read as follows:

379.025 1. Except as otherwise provided in subsection 2, the trustees of any consolidated, county, district, town or other public library, and their successors, shall:

(a) Establish, supervise and maintain a library.

(b) Appoint, evaluate the performance of and, if necessary, dismiss a librarian or, in the case of a consolidated library district, an executive director.

(c) Hold and possess the property and effects of the library in trust for the public.

(d) In the case of a county library, submit annual budgets to the board of county commissioners, containing detailed estimates of the amount of money necessary for the operation and management of the library for the next succeeding year.

(e) In the case of a consolidated, district or town library, prepare annual budgets in accordance with NRS 354.470 to 354.626, inclusive ~~(f)~~, and section 8 of this act.

(f) In the case of a consolidated library district:

(1) Administer any separate account established pursuant to NRS 354.603.

(2) Annually submit a budget to the board of county commissioners and governing body of the city for joint review and recommendation, which must contain detailed priorities and estimates of the amount of money necessary for the operation and management of the consolidated library district for the next succeeding year. Unless a majority of the members of the board of county commissioners and a majority of the members of the governing body of the city reject the budget within 21 days after it is submitted to them, the trustees shall cause copies of the final budget to be submitted to the board of county commissioners for attachment to the copy of the final budget for the county which is filed pursuant to NRS 354.59801, and to the governing body of the city for attachment to the copy of the final budget for the city which is filed pursuant to NRS 354.59801. If the budget is so rejected, the trustees shall resubmit a revised budget for joint review pursuant to this subparagraph.

(3) Submit quarterly reports to the board of county commissioners and governing body of the city concerning the budget and the programs of the library, and provide any additional



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1 information requested by either governing body as soon as is
2 reasonably practicable after receiving the request.

3 (g) In the case of a district library, administer any separate
4 account established pursuant to NRS 354.603.

5 (h) Establish bylaws and regulations for the management of the
6 library and their own management.

7 (i) Manage all the property, real and personal, of the library.

8 (j) Acquire and hold real and personal property, by gift,
9 purchase or bequest, for the library.

10 (k) Administer any trust declared or created for the library.

11 (l) Maintain or defend any action in reference to the property or
12 affairs of the library.

13 2. The trustees may:

14 (a) Make purchases and secure rooms.

15 (b) Authorize the merger or, subject to the limitations in NRS
16 379.0221, the consolidation of a town or city library with a county
17 library district.

18 (c) Invest the money in the appropriate library fund in
19 accordance with the provisions of chapter 355 of NRS.

20 (d) Do all acts necessary for the orderly and efficient
21 management and control of the library.

22 3. The trustees shall, as a primary goal of the consolidated
23 library district, provide the library facilities, resources and trained
24 staff to meet the informational needs of all residents of the district.

25 **Sec. 13.** NRS 450.650 is hereby amended to read as follows:

26 450.650 The board of trustees of each county hospital district
27 shall prepare annual budgets in accordance with NRS 354.470 to
28 354.626, inclusive **[H]**, *and section 8 of this act.*

29 **Sec. 14.** NRS 474.190 is hereby amended to read as follows:

30 474.190 1. Subject to the provisions of subsection 3, the
31 board of directors of each county fire protection district shall
32 prepare annual budgets in accordance with NRS 354.470 to
33 354.626, inclusive **[H]**, *and section 8 of this act.*

34 2. The budget of a district must be based on estimates of the
35 amount of money that will be needed to defray the expenses of the
36 district and to meet unforeseen emergencies and the amount of a fire
37 protection tax sufficient, together with the revenue which will result
38 from application of the rate to the net proceeds of minerals, to raise
39 such sums.

40 3. The amount of money to be raised for the purpose of
41 establishing, equipping and maintaining the district with fire-
42 fighting facilities must not in any 1 year exceed 1 percent of the
43 assessed value of the property described in NRS 474.200 and any
44 net proceeds of minerals derived from within the boundaries of the
45 district.



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Sec. 15. NRS 474.510 is hereby amended to read as follows:

474.510 1. The board of fire commissioners shall prepare an annual budget in accordance with the provisions of NRS 354.470 to 354.626, inclusive, *and section 8 of this act*, for each district organized in accordance with NRS 474.460.

2. Each budget must be based on estimates of the amount of money which will be needed to defray the expenses of the district and to meet unforeseen emergencies and the amount of a fire protection tax sufficient, together with the revenue which will result from application of the rate to the net proceeds of minerals, to raise such sums.

3. At the time of making the levy of county taxes for the year, the board of county commissioners shall levy the tax provided by subsection 2, upon all property, both real and personal, subject to taxation within the boundaries of the district. Any tax levied on interstate or intercounty telephone lines, power lines and other public utility lines as authorized in this section must be based upon valuations established by the Nevada Tax Commission pursuant to the provisions of NRS 361.315 to 361.330, inclusive.

4. The amount of tax to be collected for the purposes of this section must not exceed, in any 1 year, 1 percent of the value of the property described in subsection 3 and any net proceeds of minerals derived from within the boundaries of the district.

5. If levied, the tax must be entered upon the assessment roll and collected in the same manner as state and county taxes. Taxes may be paid in four approximately equal installments at the times specified in NRS 361.483, and the same penalties as specified in NRS 361.483 must be added for failure to pay the taxes.

6. For the purposes of NRS 474.460 to 474.540, inclusive, the treasurer of the district shall keep two separate funds for each district, one to be known as the district fire protection operating fund and one to be known as the district emergency fund. The money collected to defray the expenses of any district organized pursuant to NRS 474.460 must be deposited in the district fire protection operating fund, and the money collected to meet unforeseen emergencies must be deposited in the district emergency fund. The district emergency fund must be used solely for emergencies and must not be used for regular operating expenses. The money deposited in the district emergency fund must not exceed the sum of \$1,000,000. Any interest earned on the money in the district emergency fund that causes the balance in that fund to exceed \$1,000,000 must be credited to the district fire protection operating fund.

7. For the purposes of subsection 6, an emergency includes, without limitation, any event that:



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1 (a) Causes widespread or severe damage to property or injury to
2 or the death of persons within the district;

3 (b) As determined by the district fire chief, requires immediate
4 action to protect the health, safety and welfare of persons who reside
5 within the district; and

6 (c) Requires the district to provide money to obtain a matching
7 grant from an agency of the Federal Government to repair damage
8 caused by a natural disaster that occurred within the district.

9 **Sec. 16.** This act becomes effective on July 1, 2011.

