

SENATE BILL NO. 413—SENATOR SMITH

MARCH 17, 2015

Referred to Committee on Legislative Operations and Elections

SUMMARY—Revises provisions relating to the state legislative process. (BDR 17-872)

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 the Legislature; revising provisions governing fiscal notes concerning certain legislative measures; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, bills and joint resolutions are required to include information regarding the fiscal effect of their provisions on the State or local governments. If a bill or joint resolution is expected to create or increase fiscal liability or decrease revenue for the State or a local government beyond a minimum threshold, a fiscal note is required to be obtained from a state agency or local government. Existing law prescribes the procedures for the solicitation and submission of fiscal notes on legislative measures. (NRS 218D.400-218D.495)

Section 1 of this bill revises the required statement of fiscal effect on the State to be included in the summary of a bill or joint resolution. **Sections 2 and 3** of this bill revise the circumstances under which a fiscal note is required to be submitted and authorizes the submission of an unsolicited fiscal note from a state agency or local government that determines a bill or joint resolution has a fiscal impact on the State or a local government. **Section 4** of this bill authorizes the request of additional information and analysis regarding the fiscal impact of bills and joint resolutions that have been referred to the Senate Standing Committee on Finance and the Assembly Standing Committee on Ways and Means. **Section 5** of this bill revises the procedure for determining when a bill or joint resolution requested by a Legislator is provided to a state agency or local government to obtain a fiscal note. **Section 7** of this bill requires that a fiscal note requested from a state agency or local government specifically indicate if the state agency or local government concluded that the bill or joint resolution will not have a fiscal impact on the State or local government.

Sections 6 and 8 of this bill mandate that the review of a fiscal note of a state agency by the Department of Administration and any further consideration of the fiscal note by the state agency and the Department be completed during the period of 5 working days set forth in existing law as the deadline for the submission of the fiscal note to the Fiscal Analysis Division of the Legislative Counsel Bureau.



* S B 4 1 3 *

28 **Section 9** of this bill provides a procedure for a Legislator to object to a fiscal note
29 submitted on a bill or joint resolution requested by the Legislator. **Section 10** of this
30 bill eliminates a provision that imposes a restriction on the printing of fiscal notes.

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

1 **Section 1.** NRS 218D.415 is hereby amended to read as
2 follows:

3 218D.415 1. The summary of each bill or joint resolution
4 introduced in the Legislature must include the statement:

5 (a) "Fiscal Note: Effect on Local Government: May have Fiscal
6 Impact,"

7 "Fiscal Note: Effect on Local Government: No," or

8 "Fiscal Note: Effect on Local Government: Increases or
9 Newly Provides for Term of Imprisonment in County or
10 City Jail or Detention Facility,"

11 ↳ whichever is appropriate; and

12 (b) "Effect on the State: ~~Yes,~~ *May have Fiscal Impact,*"

13 "Effect on the State: No,"

14 *"Effect on the State: Necessary to Implement Executive
15 Budget,"*

16 "Effect on the State: Contains Appropriation included in
17 Executive Budget,"

18 ~~"Effect on the State: Executive Budget,"~~ or

19 "Effect on the State: Contains Appropriation not included in
20 Executive Budget,"

21 ↳ whichever is appropriate.

22 2. The Legislative Counsel shall consult the Fiscal Analysis
23 Division to secure the appropriate information for summaries of
24 bills and joint resolutions ~~and~~ *and shall transmit a copy of each bill
25 or joint resolution that may have a fiscal impact on the State or a
26 local government to the Fiscal Analysis Division upon completion
27 of the drafting of the bill or joint resolution.*

28 3. If an amendment adds an appropriation to a bill that
29 previously did not include an appropriation or removes all
30 appropriations from a bill that previously included one or more
31 appropriations, the Legislative Counsel shall change the summary of
32 the bill to reflect the inclusion or removal.

33 **Sec. 2.** NRS 218D.430 is hereby amended to read as follows:

34 218D.430 1. Except as otherwise provided in subsection 4,
35 the Fiscal Analysis Division shall obtain a fiscal note on:

36 (a) Any bill or joint resolution which creates or increases any
37 fiscal liability or decreases any revenue which appears to be in
38 excess of \$2,000; and



(b) Any bill or joint resolution which increases or newly provides for a term of imprisonment in the state prison or makes release on parole or probation from the state prison less likely, before a vote is taken on such a bill or joint resolution by a committee of the Assembly or the Senate.

2. The fiscal note must contain a reliable estimate of the anticipated change in ~~appropriation authority,~~ fiscal liability or state revenue ~~under~~ *resulting from the provisions of* the bill or joint resolution, including, to the extent possible, a projection of such changes in future biennia.

3. Except as otherwise provided in NRS 218D.400 to 218D.495, inclusive, or a joint rule, the estimates must be made by the affected agency or agencies.

4. ~~The~~ *A* fiscal note is not required on any bill or joint resolution ~~relating exclusively~~ *that:*

(a) *Is necessary to implement* the proposed executive budget.

(b) *Contains an appropriation included in the proposed executive budget.*

(c) *Contains an appropriation not included in the proposed executive budget.*

5. *If a fiscal note is not requested from an agency on a bill or joint resolution, an agency may submit to the Fiscal Analysis Division an unsolicited fiscal note on any version of the bill or joint resolution if the agency determines that the bill or joint resolution will have a fiscal impact on the State. An unsolicited fiscal note submitted pursuant to this subsection must comply with the requirements set forth in NRS 218D.470. Upon receipt of such a fiscal note, the Fiscal Analysis Division shall cause the unsolicited fiscal note to be posted on the Internet website maintained by the Legislative Counsel Bureau.*

Sec. 3. NRS 218D.435 is hereby amended to read as follows:

218D.435 1. Before a vote is taken by a committee of the Assembly or the Senate on any bill or joint resolution which the Legislative Counsel, in consultation with the Fiscal Analysis Division, determines may reduce the revenues or increase the expenditures of a local government, the Fiscal Analysis Division shall prepare a fiscal note pursuant to NRS ~~218D.400 to 218D.495, inclusive.~~ *218D.480.*

2. Before preparing a fiscal note pursuant to ~~this section,~~ *NRS 218D.480,* the Fiscal Analysis Division shall:

(a) Provide to the appropriate local governments a copy of the bill or joint resolution for which the fiscal note is required; and

(b) Request that the local governments review the bill or joint resolution and, if required, prepare *and submit* a fiscal note pursuant to the provisions of subsection 2 of NRS 218D.475.



1 3. ~~[Except as otherwise provided in this subsection, a]~~ A fiscal
2 note is not required if the only impact on a local government is that
3 a bill or joint resolution increases or newly provides for a term of
4 imprisonment in a county or city jail or detention facility, or makes
5 release on probation therefrom less likely. ~~[The Fiscal Analysis~~
6 ~~Division shall prepare a fiscal note for a bill or joint resolution for~~
7 ~~which a fiscal note is not otherwise required pursuant to this~~
8 ~~subsection if, within 8 working days after the bill or joint resolution~~
9 ~~is introduced:~~

10 —(a) A local government prepares a fiscal note for the bill or joint
11 resolution and submits it to the Fiscal Analysis Division; and

12 —(b) The

13 4. *If a fiscal note is not requested from a local government on*
14 *a bill or joint resolution, a local government may submit to the*
15 *Fiscal Analysis Division an unsolicited fiscal note on any version*
16 *of the bill or joint resolution if the local government determines*
17 *that the bill or joint resolution will have a fiscal impact on the*
18 *local government. Upon receipt of such a fiscal note, the Fiscal*
19 *Analysis Division shall cause the unsolicited fiscal note to be*
20 *posted on the Internet website maintained by the Legislative*
21 *Counsel Bureau.*

22 5. A fiscal note ~~[complies]~~ submitted pursuant to subsection 3
23 or 4 must comply with the requirements set forth in NRS 218D.470.

24 Sec. 4. NRS 218D.440 is hereby amended to read as follows:

25 218D.440 1. Except as otherwise provided in subsection 2,
26 fiscal notes are required on the original bill and original joint
27 resolution only and not on amendments.

28 2. Whenever an amendment adopted by one House so affects a
29 bill or joint resolution that the original fiscal note ceases to be valid,
30 the presiding officer may direct the Fiscal Analysis Division to obtain
31 a new fiscal note showing the effect of the bill or joint
32 resolution as amended.

33 3. *If a bill or joint resolution is referred to the Senate*
34 *Standing Committee on Finance or the Assembly Standing*
35 *Committee on Ways and Means, the Chair of each Committee, on*
36 *his or her own initiative or pursuant to the request of another*
37 *Legislator, may direct the Fiscal Analysis Division to obtain*
38 *additional information regarding the fiscal impact of the bill or*
39 *joint resolution. If the Fiscal Analysis Division is so directed, the*
40 *Fiscal Analysis Division:*

41 (a) *May submit a request to any agency or local government*
42 *on which the Fiscal Analysis Division determines the bill or joint*
43 *resolution may have a fiscal impact for information regarding the*
44 *fiscal impact on the agency or local government of the version of*



1 *the bill or joint resolution that is under consideration by the*
2 *Committee;*

3 *(b) Shall analyze any fiscal note submitted previously for the*
4 *bill or joint resolution and any information provided by an agency*
5 *or local government in response to the request submitted pursuant*
6 *to paragraph (a); and*

7 *(c) Shall submit its analysis and any information provided by*
8 *an agency or local government to the Chair of the Committee that*
9 *directed the Fiscal Analysis Division to perform the analysis and*
10 *to the other members of that Committee.*

11 *4. An agency or local government that receives a request for*
12 *additional information pursuant to paragraph (a) of subsection 3*
13 *must provide the information to the Fiscal Analysis Division*
14 *within 3 working days after the request was received.*

15 **Sec. 5.** NRS 218D.460 is hereby amended to read as follows:

16 218D.460 1. After a bill or joint resolution ~~has been~~
17 ~~drafted,} requested by a Legislator has been transmitted to the~~
18 *Fiscal Analysis Division by the Legislative Counsel pursuant to*
19 *NRS 218D.415, the Fiscal Analysis Division shall* ~~inform the~~
20 ~~requester that a fiscal note is required when the draft is submitted to~~
21 ~~the requester for review.} request the consent of the Legislator to~~
22 *provide a copy of the bill or joint resolution to the appropriate*
23 *agency or local government for a fiscal note before the bill or joint*
24 *resolution is introduced.*

25 2. If the ~~requester so directs.} Legislator consents pursuant to~~
26 *subsection 1,* the Fiscal Analysis Division shall promptly determine
27 the agency or local government to which the bill or joint resolution
28 should be ~~submitted} provided~~ and shall ~~submit it} provide the bill~~
29 *or joint resolution to that agency or local government* for a fiscal
30 note.

31 3. If the ~~requester is a} Legislator~~ ~~and desires to introduce the~~
32 ~~bill or joint resolution without a fiscal note, the Legislator may do~~
33 ~~so, but when the bill is introduced,} does not consent pursuant to~~
34 *subsection 1,* the Fiscal Analysis Division shall *, after the bill or*
35 *joint resolution has been introduced,* promptly determine the
36 agency or local government to which the bill or joint resolution ~~is~~
37 ~~to} should be~~ ~~submitted} provided~~ and shall ~~forward it} provide~~
38 *the bill or joint resolution to* ~~the} that~~ *agency or local government*
39 *to obtain the fiscal note.*

40 4. *If a bill or joint resolution that has been transmitted to the*
41 *Fiscal Analysis Division by the Legislative Counsel pursuant to*
42 *NRS 218D.415 was not requested by a Legislator, the Fiscal*
43 *Analysis Division shall promptly determine the agency or local*
44 *government to which the bill or joint resolution should be provided*



1 *and shall provide the bill or joint resolution to that agency or local*
2 *government to obtain the fiscal note.*

3 **Sec. 6.** NRS 218D.465 is hereby amended to read as follows:

4 218D.465 1. The name of the agency preparing the fiscal
5 note must appear on the fiscal note with the name of the official of
6 the agency who is primarily responsible for preparing the fiscal
7 note.

8 2. The Department of Administration shall review the fiscal
9 notes *required to be* prepared by the agencies *pursuant to NRS*
10 *218D.430* before such fiscal notes are *required to be* returned to the
11 ~~[Legislature.]~~ *Fiscal Analysis Division by the end of the period*
12 *prescribed in subsection 1 of NRS 218D.475.* If the Department of
13 Administration disagrees with a fiscal note prepared by the agency,
14 it may ~~[submit a supplementary fiscal note for the bill or joint~~
15 ~~resolution.]~~ *return the fiscal note to the agency for further*
16 *consideration by the agency and return to the Department before*
17 *the end of the period prescribed in subsection 1 of NRS 218D.475.*

18 **Sec. 7.** NRS 218D.470 is hereby amended to read as follows:

19 218D.470 1. ~~[The]~~ *Except as otherwise provided in*
20 *subsection 2, a* fiscal note must be factual and concise in nature, and
21 must provide a reliable estimate of the dollar amount of effect the
22 bill or joint resolution will have.

23 2. If the agency or local government concludes that *the bill or*
24 *joint resolution:*

25 (a) *Will not have a fiscal impact on the agency or local*
26 *government, the fiscal note must indicate that conclusion.*

27 (b) *May have a fiscal impact on the agency or local*
28 *government but* no dollar amount can be estimated, the fiscal note
29 must ~~[so state]~~ *indicate that conclusion* with reasons for ~~[such a]~~
30 *that* conclusion.

31 **Sec. 8.** NRS 218D.475 is hereby amended to read as follows:

32 218D.475 1. Whenever a bill or joint resolution is
33 ~~[submitted]~~ *provided* to an agency for a fiscal note, the agency shall
34 prepare the fiscal note *for review by the Department of*
35 *Administration pursuant to NRS 218D.465* and ~~[return it]~~
36 *submission* to the Fiscal Analysis Division within 5 working days ~~[~~
37 ~~The]~~ *after the agency received the bill or joint resolution. Upon*
38 *request of the agency, the* Fiscal Analysis Division may extend the
39 period for not more than 10 additional working days if the matter
40 requires extended research.

41 2. Whenever a bill or joint resolution is ~~[submitted]~~ *provided* to
42 a local government for a fiscal note, the local government shall:

43 (a) Review the provisions of the bill or joint resolution to
44 determine whether the bill or joint resolution reduces the revenues
45 or increases the expenditures of the local government; and



(b) If the local government determines that the bill or joint resolution reduces the revenues or increases the expenditures of the local government, prepare a fiscal note for that bill or joint resolution and ~~return~~ *submit* it to the Fiscal Analysis Division within 8 working days ~~after the local government received the bill or joint resolution.~~

Sec. 9. NRS 218D.480 is hereby amended to read as follows:

218D.480 1. ~~{As soon as practicable after a fiscal note is received from an agency, the Fiscal Analysis Division shall send a copy of the fiscal note to the chair of the standing committee or committees to which the bill or joint resolution has been referred. The Fiscal Analysis Division shall retain the original fiscal note.~~

~~—2—~~ Upon expiration of the period prescribed in paragraph (b) of subsection 2 of NRS 218D.475, the Fiscal Analysis Division shall prepare a single consolidated fiscal note into which any information submitted by a local government regarding a bill or joint resolution must be incorporated. If, upon the expiration of that period, the Fiscal Analysis Division determines that no local governments have submitted information regarding the fiscal impact of a bill or joint resolution, the Fiscal Analysis Division shall prepare a fiscal note indicating that local governments have reported no decreases in revenues or increases in expenditures resulting from the bill or joint resolution. ~~{The Fiscal Analysis Division shall send to the chair of the standing committee or committees to which the bill or joint resolution has been referred a copy of a fiscal note prepared pursuant to this subsection. The Fiscal Analysis Division shall retain the original fiscal note and any fiscal notes submitted by local governments for the bill or joint resolution.}~~

2. *As soon as practicable after a fiscal note has been received from an agency or has been prepared by the Fiscal Analysis Division pursuant to subsection 1, the Fiscal Analysis Division shall:*

(a) *If the fiscal note is for a bill or joint resolution that was requested by a Legislator, submit the fiscal note to the Legislator for review pursuant to subsection 3; or*

(b) *If the fiscal note is for a bill or joint resolution that was not requested by a Legislator, submit the fiscal note for printing pursuant to NRS 218D.555 and cause the printed version to be posted on the Internet website maintained by the Legislative Counsel Bureau.*

3. *Within 2 working days after the date on which a fiscal note is submitted to a Legislator pursuant to subsection 2, the Legislator must notify the Fiscal Analysis Division, in writing, of any objection by the Legislator to any information included in the*



1 *fiscal note. The notification must include, without limitation, an*
2 *explanation of the objection and any supporting material.*

3 4. *If the Fiscal Analysis Division receives notification of an*
4 *objection to a fiscal note pursuant to subsection 3 in a timely*
5 *manner, the Fiscal Analysis Division shall review the notification*
6 *and determine whether a revision to the fiscal note is warranted. If*
7 *the Fiscal Analysis Division determines that a revision to the fiscal*
8 *note is warranted, the Fiscal Analysis Division shall request that*
9 *the agency or local government that submitted the original fiscal*
10 *note submit a revised fiscal note within 1 working day after the*
11 *request or notify the Fiscal Analysis Division that it does not wish*
12 *to revise the fiscal note. As soon as practicable after the period*
13 *prescribed in this subsection, the Fiscal Analysis Division shall*
14 *submit the original or revised fiscal note for printing pursuant to*
15 *NRS 218D.555 and cause the printed version to be posted on the*
16 *Internet website maintained by the Legislative Counsel Bureau.*

17 5. *If an objection to a fiscal note is not received by the Fiscal*
18 *Analysis Division by the time prescribed in subsection 3, the Fiscal*
19 *Analysis Division shall submit the fiscal note for printing*
20 *pursuant to NRS 218D.555 and cause the printed version to be*
21 *posted on the Internet website maintained by the Legislative*
22 *Counsel Bureau.*

23 6. If a local government wishes to submit a fiscal note for a bill
24 or joint resolution after the expiration of the period prescribed in
25 paragraph (b) of subsection 2 of NRS 218D.475, the local
26 government must submit the fiscal note to the chair of the
27 committee or committees to which the bill or joint resolution has
28 been referred, and a copy of the fiscal note to the Fiscal Analysis
29 Division. ~~[The Fiscal Analysis Division shall retain the copy of the~~
30 ~~fiscal note provided by the local government.]~~

31 **Sec. 10.** NRS 218D.485 is hereby repealed.

TEXT OF REPEALED SECTION

218D.485 Printing of fiscal notes. All fiscal notes of bills or joint resolutions that have been introduced must be printed together, separate from the bills or joint resolutions, in the order of introduction in the Assembly and the Senate.

