

LCB File No. R028-99

PROPOSED REGULATION OF THE NEVADA TAX COMMISSION

January 15, 1999

EXPLANATION—Matter in *italics* is new, matter in brackets + is material to be omitted.

AUTHORITY: NRS 360.090, NRS 360.130, NRS 233B.121, NRS 233B.125, NRS 350.085, NRS 354.685, NRS 354.695 and NRS 354.705.

Section 1. NAC 350.010 is hereby amended to read as follows:

1. The statement and report which is required by NRS 350.0035 must include:

(a) A brief narrative which describes each type of indebtedness used or contemplated for use by the governing body or board;

(b) A schedule which sets forth:

(1) The contemplated date of the sale and the amount of any bonds which have been approved by election but not yet sold;

(2) The contemplated date of an election or other authorization and the amount of any bonds which are contemplated to be issued before the end of the fiscal year following the date of the schedule; and

(3) The amount of any other debts, such as mortgages or capital leases, which the governing body or board contemplates incurring before the end of the fiscal year following the date of the schedule;

(c) A schedule which sets forth, on a form provided by the department of taxation, the amount of general obligation debt of the political subdivision or general improvement district;

(d) A schedule which sets forth, on a form provided by the department of taxation, the total amount of indebtedness of the political subdivision or general improvement district;

(e) A schedule which sets forth, on a form provided by the department of taxation, the amount of money required to satisfy the indebtedness of the political subdivision or general improvement district for the 5 years immediately following the date of the statement or report; and

(f) A schedule which sets forth, on a form provided by the department of taxation, the amount of money required to satisfy each debt of the political subdivision or general improvement district for each year until the debt is retired.

2. The submission to the department of taxation before July 1 of a copy of the statement and report submitted for the same year to a general obligation bond commission pursuant to NRS 350.0035 fulfills the requirements set forth in subsection 1 of NRS 354.6025.

3. For the purposes of this section, “indebtedness” includes a debt which is:

(a) Legally payable from general revenues and is backed by the full faith and credit of a governmental unit;

(b) Represented by securities of a local government issued pursuant to chapter 350 of NRS;

(c) Created for ~~short-term~~ *medium-term* financing pursuant to NRS ~~354.430 to 354.460~~ *350.085 to 350.095*, inclusive; and

(d) Represented by revenue bonds of the governmental unit.

Sec. 2. NAC 354.800 to 354.860 inclusive; is hereby repealed.

TEXT OF REPEALED SECTIONS

354.800 Complaint.

1. If the department of taxation finds that one or more of the conditions enumerated in NRS 354.660 exists in a local government and determines that corrective action is necessary, the department shall prepare a written complaint specifying with particularity the conditions of financial difficulty and any proposed corrective action. The complaint must set forth in ordinary and concise language the acts or omissions with which the local government is charged to the end that the local government will be able to respond to the charges.

2. A complaint consisting only of charges phrased in the language of a statute or regulation is insufficient.

354.810 Answer. The local government may, but is not required to, respond to the complaint by filing a written response with the department before the hearing.

354.820 Time, place set for hearing; service of complaint.

1. The department shall fix a time and place for a hearing on the complaint, and a copy of the complaint together with a notice of the time and place of the hearing, shall be personally served on the chairman of the governing board of the local government or mailed to his last known address at least 10 days before the date fixed for the hearing. If an emergency exists as determined by the department, the period of service of the complaint and notice may be reduced to 2 days.

2. Copies must be mailed to the budget officer of the entity, the board clerk or secretary and the district or city attorney as appropriate.

354.830 Hearing.

1. The executive director of the department of taxation or any other officer of the department authorized by the Nevada tax commission shall conduct the hearing, which may be continued from time to time upon order of the executive director or other authorized officer.

2. At the time and place fixed in the notice, the executive director or other authorized officer shall proceed to hear the charges contained in the complaint, and both the governing body and the department must be accorded ample opportunity to present, in person or by counsel, statements, testimony, evidence and argument pertinent to the charges or to the defense thereto.

3. A stenographic record of the hearing must be kept and a transcript prepared following the close of the hearing if the department intends to order corrective action. Costs of reporting and transcription must be paid by the local government and the department in the proportion ordered by the department.

354.840 Findings of fact; order.

1. If, following the hearing, the department determines that corrective action is necessary, the department shall prepare findings and a proposed order and transmit it, together with a copy of the transcript of the hearing, to the state board of finance for approval. A copy of the findings and proposed order must be mailed to the local government.

2. If the state board of finance approves, the department shall issue its order specifying the corrective action required as authorized by NRS 354.680 and cause the order to be served on the chairman of the governing body of the local government.

354.850 Order to compel compliance. If the local government fails to comply with the departmental order for corrective action, the department shall advise the state board of finance and may recommend application by the state board of finance to the district court for an order to compel compliance.

354.860 Termination, modification of order. If the governing body of a local government petitions the state board of finance for termination or modification of a corrective order, a copy of the petition must be served on the executive director of the department.