

**LCB File No. T007-03**

**ADOPTED TEMPORARY REGULATION OF THE COMMITTEE  
ON LOCAL GOVERNMENT FINANCE**

**Filed with the Secretary of State on 1/28/2003**

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

**AUTHORITY: NRS 354.107**

Chapter 354 of the NAC is hereby amended by adding thereto the provisions set forth as section 354, part A, of this regulation (formerly known as NAC 354.480).

**NAC 354, Part A. *Expenses in excess of original appropriation. Expenses charged to an enterprise or internal service fund in excess of the original budget appropriation therefor are allowable in accordance with NRS 354.612 and are not a violation of NRS 354.626 if:***

- 1. The expenses do not cause a deficit in the equity balance of the fund; and***
- 2. The budget is adjusted in a manner provided by law.***

**NOTICE OF ADOPTION OF TEMPORARY REGULATION  
LCB File No. T007-03**

The Committee on Local Government Finance adopted temporary regulations pertaining to Chapter 354, Local Financial Administration, of the Nevada Administrative Code on January 15, 2003. A copy of the regulations as adopted is attached hereto.

**INFORMATIONAL STATEMENT**

The following statement is submitted for proposed amendments to Nevada Administrative Code (NAC) 354.

**1. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.**

The Department of Taxation, as staff to the Committee on Local Government Finance, solicited comment from the public by sending notices of workshops and hearings by electronic or regular mail as follows:

<u>Date of Notice</u>	<u>Workshop/Hearing</u>	<u>Date</u>	<u># Notified</u>	<u>#Representing Bus.</u>
12-24-02	Workshop	1-15-03	346	156
12-16-02	Hearing	1-15-03	353	156

The mailing list included the interested parties list maintained by the Department, as well as officials of local jurisdictions subject to these regulations.

No oral or written comments were received. A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 687-4841 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at [mmjacobs@govmail.state.nv.us](mailto:mmjacobs@govmail.state.nv.us).

**2. The number of persons who:**

**(a) Attended and testified at each workshop:**

<u>Attended</u>	<u>Testified</u>
17	3

**(b) Attended and testified at each hearing on adoption:**

	<u>Attended</u>	<u>Testified</u>
Members of the Committee	6	3
Members of the public	11	1

**(c) Submitted to the agency written comments:**

**3. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.**

The regulations present no reasonably foreseeable or anticipated adverse economic effects to businesses or to the general public, and none can be quantified. Nevertheless, approximately 45% of the notices were sent to individuals or associations representing business.

A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 687-4841 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at [mmjacobs@govmail.state.nv.us](mailto:mmjacobs@govmail.state.nv.us)

**4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

This regulation was inadvertently deleted when regulations were adopted in April, 2002. Auditors of local jurisdictions have found that with the deletion, any expenses in excess of appropriations in a proprietary fund are a violation thus causing a write-up in the audit report. Re-instating the regulation now allows the expense under certain conditions and avoids violations.

**5. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include:**

**(a) Both adverse and beneficial effects; and**

The adopted regulations present no reasonably foreseeable or anticipated adverse economic effects to businesses or to the general public. It is anticipated the regulation promotes and enhances the efficient administration of local government finances.

**(b) Both immediate and long-term effects.**

The proposed regulations present no reasonably foreseeable or anticipated immediate or long-term economic effects to businesses or to the general public.

**6. The estimated cost to the agency for enforcement of the adopted regulation.**

The Department anticipates little, if any, additional cost to administer the regulation.

**7. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

There are no other state or government agency regulations that the adopted amendments duplicate.

- 8. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

There are no federal regulations regarding the administration of proprietary funds of local governments with which these regulations comply.

- 9. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

These regulations do not provide or involve a new fee; therefore there is no total annual amount the Department expects to collect or use.