

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

LCB File No. R005-12

Effective December 20, 2012

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

AUTHORITY: §§1-3, NRS 354.107.

A REGULATION relating to local government finance; providing the format of certain financial statements that are posted on official Internet websites of counties and cities; and providing other matters properly relating thereto.

Section 1. Chapter 244 of NAC is hereby amended by adding thereto a new section to read as follows:

1. If a county maintains an official Internet website, the county must place a link on the official Internet website to the statement of the total amounts of receipts and expenditures that is required pursuant to NRS 244.225. Such a link must be on a web page that is easily located within the official Internet website of the county.

2. In addition to the requirements set forth in NRS 244.225, a statement of the total amounts of receipts and expenditures that is maintained on the official Internet website of the county:

(a) Must:

(1) Remain on the official Internet website of the county until the county updates the statement after the end of the next calendar quarter.

(2) Be updated not later than 45 days after the end of every calendar quarter.

(3) Identify whether the accounting basis of the statement is the cash or modified accrual basis.

(4) Report on a cash or modified accrual basis the receipts of the county for the calendar quarter. The report of receipts must:

(I) Be summarized by category or source, including, without limitation, taxes, licenses and permits, intergovernmental resources, charges for services, fines and forfeitures, and miscellaneous receipts; and

(II) Set forth the total amount of receipts for each category or source for the calendar quarter and the period from the beginning of the current fiscal year through the end of the calendar quarter.

(5) Report on a cash or modified accrual basis the expenditures of the county for the calendar quarter. The report of expenditures must:

(I) Except as otherwise provided in this sub-subparagraph, be summarized by payee. Expenditures related to the employment of personnel may be reported as total salaries, wages or benefits, as applicable, without reference to the amounts paid to or on behalf of any individual officer or employee; and

(II) Set forth the total amount of expenditures for each category and amounts paid to each payee during the calendar quarter and the period from the beginning of the current fiscal year through the end of the calendar quarter.

(b) May include, without limitation:

(1) A report of the actual receipts received during the calendar quarter compared to the county's forecast of the receipts for the calendar quarter.

(2) A report that compares the actual expenditures made during the calendar quarter to the amounts budgeted for expenditures for the calendar quarter.

(3) A report of receipts deposited into each fund or account maintained by the county during the calendar quarter.

(4) A report of expenditures paid during the calendar quarter out of each fund or account maintained by the county.

3. The Department of Taxation, on behalf of the Committee on Local Government Finance, may notify the county if the statement of receipts and expenditures that is posted on the official Internet website of the county does not comply with the requirements of this section.

Sec. 2. Chapter 268 of NAC is hereby amended by adding thereto a new section to read as follows:

1. If a city maintains an official Internet website, the city must place a link on the official Internet website to the statement of the finances of the city that is required pursuant to NRS 268.030. Such a link must be on a web page that is easily located within the official Internet website of the city.

2. In addition to the requirements set forth in NRS 268.030, a statement of the finances of the city that is maintained on the official Internet website of the city:

(a) Must:

(1) Remain on the official Internet website of the city until the city updates the statement after the end of the next calendar quarter.

(2) Be updated not later than 45 days after the end of every calendar quarter.

(3) Identify whether the accounting basis of the statement is the cash or modified accrual basis.

(4) Report on a cash or modified accrual basis the receipts of the city for the calendar quarter. The report of receipts must:

(I) Be summarized by category or source, including, without limitation, taxes, licenses and permits, intergovernmental resources, charges for services, fines and forfeitures, and miscellaneous receipts; and

(II) Set forth the total amount of receipts for each category or source during the calendar quarter and the period from the beginning of the current fiscal year through the end of the calendar quarter.

(5) Report on a cash or modified accrual basis the disbursements and bills allowed and paid for the city for the calendar quarter. The report of disbursements and bills allowed and paid must:

(I) Except as otherwise provided in this sub-subparagraph, be summarized by payee. Disbursements related to the employment of personnel may be reported as total salaries, wages or benefits, as applicable, without reference to the amounts paid to or on behalf of any individual officer or employee; and

(II) Set forth the total amount of disbursements and bills allowed and paid for each category and to each payee during the calendar quarter and the period from the beginning of the current fiscal year through the end of the calendar quarter.

(b) May include, without limitation:

(1) A report of the actual receipts received during the calendar quarter compared to the city's forecast of the receipts for the calendar quarter.

(2) A report that compares the actual disbursements and bills allowed and paid during the calendar quarter to the amounts budgeted for the disbursements and bills for the calendar quarter.

(3) A report of receipts deposited during the calendar quarter into each fund or account maintained by the city.

(4) A report of disbursements and bills allowed and paid during the calendar quarter out of each fund or account maintained by the city.

3. The Department of Taxation, on behalf of the Committee on Local Government Finance, may notify the city if the statement of the finances that is posted on the official Internet website of the city does not comply with the requirements of this section.

Sec. 3. Chapter 354 of NAC is hereby amended by adding thereto a new section to read as follows:

1. If a county maintains an official Internet website, the county must place a link on the official Internet website to the statement of the total amount of bills allowed by the county that is required pursuant to NRS 354.210. Such a link must be on a web page that is easily located within the official Internet website of the county.

2. In addition to the requirements set forth in NRS 354.210, a statement of the total amount of bills allowed by the county that is maintained on the official Internet website of the county:

(a) Must:

(1) Remain on the official Internet website of the county until the county updates the statement after the end of the next calendar quarter.

(2) Be updated not later than 45 days after the end of every calendar quarter.

(3) Identify whether the accounting basis of the statement is the cash or modified accrual basis.

(4) Report on a cash or modified accrual basis the bills allowed by the county during the calendar quarter. The statement of the total amount of bills allowed must:

(I) Except as otherwise provided in this sub-subparagraph, be summarized by payee. Allowances related to the employment of personnel may be reported as total salaries, wages or benefits, as applicable, without reference to the amounts paid to or on behalf of any individual officer or employee; and

(II) Set forth the total amount of bills allowed and paid to each payee during the calendar quarter and the period from the beginning of the current fiscal year through the end of the calendar quarter.

(b) May include, without limitation:

(1) A report that compares the bills allowed and paid during the calendar quarter to the amounts budgeted for the bills for the calendar quarter.

(2) A report of the bills allowed and paid during the calendar quarter out of each fund or account maintained by the county.

3. The Department, on behalf of the Committee, may notify the county if the statement of the total bills allowed that is posted on the official Internet website of the county does not comply with the requirements of this section.

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED BY
ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066
LCB FILE R005-12**

**Providing for the Format of Certain Financial Statements that are Posted on Official
Internet Websites of Counties and Cities**

The following statement is submitted for amendments, additions and deletions, to Nevada Administrative Code (NAC) 354 adopted by the Committee of Local Government Finance.

- 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 notice of workshops and hearings by electronic or regular mail as follows:

<u>Date of Notice</u>	<u>Workshop/ Hearing</u>	<u>Date of Workshop</u>	<u>Number Notified</u>	<u>Representing Businesses</u>
11-29-11	Workshop	12-14-11	251	21
4-10-12	Hearing	5-10-12	251	22
4-24-12	Workshop	5-10-12	251	22
9-21-12	Hearing	10-23-12	407	89

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

Many oral and several written comments or documents were received at the workshops and hearings. A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2100 or by writing to the Nevada Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Nevada Department of Taxation at ware@tax.state.nv.us.

The Legislative Counsel Bureau (LCB) completed its review on April 12, 2012 and revisions on August 2, 2012. The Committee on Local Government Finance adopted the regulation at the hearing held on October 23, 2012.

- 2. The number persons who:**

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

<u>Date of Workshop</u>	<u>Attended</u>	<u>Testified</u>
12-14-11	88	8
5-10-12	29	7

(b) Attended and testified at each hearing:

<u>Date of Hearing</u>	<u>Commission/ Public Attended</u>	<u>Public Testified</u>
5-10-12	10 / 29	1
10-23-12	9 / 27	4

(c) Submitted to the agency written comments:

<u>Date of Workshop / Hearing</u>	<u>Number Received</u>
12-14-11 Workshop	4
5-10-12 Workshop	4
5-10-12 Hearing	None Received
10-23-12 Hearing	None Received

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.

Comments were solicited from affected and interested local governments, businesses and persons, by notices posted at the Nevada State Library; various Department of Taxation locations throughout the state; and at the Main Public Libraries in counties where an office of the Department of Taxation is not located. Comments were also solicited by direct email to county officials and other interested parties lists maintained by the Department. Approximately 22% of the approximately 407 direct notices were sent to individuals or associations representing business.

Members of the Committee on Local Government Finance, local government officials, and members of the general public commented on some or all of the proposed language changes during the workshop process and during the Adoption Hearing of the Committee on Local Government Finance.

A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2100 or by writing to the Nevada Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Nevada Department of Taxation at ware@tax.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.

The permanent regulation was adopted with changes reflecting the verbal and written comments submitted to, or received by, the Nevada Department of Taxation primarily from local governments during the workshops and hearings listed above. The Committee on Local Government Finance adopted the permanent regulation as

revised in workshops and hearings; and believed no changes other than those made were necessary.

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

The regulation establishes standards for the format of the financial statement to be posted on the internet website of a city or county pursuant to the requirements of NRS 244.225, 268.030 and 354.210. In particular, the regulations describe the information to be posted to the internet website of the local government and further describe what the Statement of Receipts and Statement of Disbursements must contain. The regulations provide the Department of Taxation may inspect the official website and notify the local government if the required information does not appear to be properly posted

The proposed permanent regulation presents no reasonably foreseeable or anticipated adverse economic effects to businesses or to the general public. The regulation provides examples and descriptions of the types of information to be posted to the website; and does not directly affect businesses.

The long-term effect is to provide a transparent public process for the dissemination of financial information of local governments. The immediate effect is to provide guidance with regard to the information which must be posted to the internet.

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

The Department does not anticipate any cost to the agency for enforcement.

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 proposed 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.

The Committee on Local Government Finance is not aware of any provision in this regulation which is also governed by federal regulation.

- 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.**

The regulation does not provide for a new fee, and does not increase an existing fee.

- 10. Is the proposed regulation likely to impose a direct and significant economic burden upon a small business or directly restricted the formation, operation or expansion of a small business? What methods did the agency use in determining the impact of the regulation on a small business?**

The Committee on Local Government Finance determined that the proposed regulation does not impose a direct and significant economic burden upon a small business or restrict the formation, operation or expansion of a small business. In making this determination the Committee considered the fact that the proposed amendment only applies to activity by local and state government officials and imposes no direct requirements on any private businesses.