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SENATE BILL NO. 56—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE DIVISION OF BUDGET AND PLANNING)

PREFILED DECEMBER 15, 2010

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Referred to Committee on Government Affairs

**SUMMARY**—Revises provisions governing the entities required to use the services and equipment of the Department of Information Technology. (BDR 19-426)

**FISCAL NOTE:** Effect on Local Government: No.  
Effect on the State: No.

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

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AN ACT relating to information technology; requiring that all state agencies, boards and commissions use the services and equipment of the Department of Information Technology; providing exceptions; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires that many state agencies and elected state officers use the  
2 services and equipment of the Department of Information Technology. (NRS  
3 242.131) **Section 5** of this bill requires that most previously exempted agencies, as  
4 well as all state boards and commissions, use the services and equipment of the  
5 Department.


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

1 **Section 1.** NRS 242.111 is hereby amended to read as follows:  
2 242.111 The Director shall adopt regulations necessary for the  
3 administration of this chapter, including:  
4 1. The policy for the information systems of the Executive  
5 Branch of Government, excluding the Nevada System of Higher  
6 Education and the Nevada Criminal Justice Information System, as  
7 that policy relates, but is not limited, to such items as standards for  
8 systems and programming and criteria for selection, location and



1 use of information systems to meet the requirements of state  
2 agencies , *boards, commissions* and officers at the least cost to the  
3 State;

4 2. The procedures of the Department in providing information  
5 services, which may include provision for the performance, by an  
6 agency , *board or commission* which uses the services or equipment  
7 of the Department, of preliminary procedures, such as data  
8 recording and verification, within the agency  , *board or*  
9 *commission;*

10 3. The effective administration of the Department, including,  
11 without limitation, security to prevent unauthorized access to  
12 information systems and plans for the recovery of systems and  
13 applications after they have been disrupted;

14 4. The development of standards to ensure the security of the  
15 information systems of the Executive Branch of Government; and

16 5. Specifications and standards for the employment of all  
17 personnel of the Department.

18 **Sec. 2.** NRS 242.115 is hereby amended to read as follows:

19 242.115 1. Except as otherwise provided in subsection 2, the  
20 Director shall:

21 (a) Develop policies and standards for the information systems  
22 of the Executive Branch of Government;

23 (b) Coordinate the development of a biennial state plan for the  
24 information systems of the Executive Branch of Government;

25 (c) Develop guidelines to assist state agencies , *boards and*  
26 *commissions* in the development of short- and long-term plans for  
27 their information systems; and

28 (d) Develop guidelines and procedures for the procurement and  
29 maintenance of the information systems of the Executive Branch of  
30 Government.

31 2. This section does not apply to the Nevada System of Higher  
32 Education or the Nevada Criminal Justice Information System used  
33 to provide support for the operations of law enforcement agencies in  
34 this State.

35 **Sec. 3.** NRS 242.122 is hereby amended to read as follows:

36 242.122 1. There is hereby created an Information  
37 Technology Advisory Board. The Board consists of:

38 (a) One member appointed by the Majority Floor Leader of the  
39 Senate from the membership of the Senate Standing Committee on  
40 Finance during the immediately preceding session of the  
41 Legislature.

42 (b) One member appointed by the Speaker of the Assembly  
43 from the membership of the Assembly Standing Committee on  
44 Ways and Means during the immediately preceding session of the  
45 Legislature.



1 (c) Two representatives of using agencies , *boards or*  
2 *commissions* which are major users of the services of the  
3 Department. The Governor shall appoint the two representatives.  
4 Each such representative serves for a term of 2 years. For the  
5 purposes of this paragraph, an agency , *board or commission* is a  
6 "major user" if it is among the top five users of the services of the  
7 Department, based on the amount of money paid by each agency ,  
8 *board or commission* for the services of the Department during the  
9 immediately preceding biennium.

10 (d) The Director of the Department of Administration or his or  
11 her designee.

12 (e) The Superintendent of Public Instruction of the Department  
13 of Education or his or her designee.

14 (f) Three persons appointed by the Governor in July of each  
15 odd-numbered year as follows:

16 (1) One person who represents a city or county in this State;  
17 and

18 (2) Two persons who represent the information technology  
19 industry but who:

20 (I) Are not employed by this State;

21 (II) Do not hold any elected or appointed office in State  
22 Government;

23 (III) Do not have an existing contract or other agreement  
24 to provide information services, systems or technology to an agency  
25 , *board or commission* of this State; and

26 (IV) Are independent of and have no direct or indirect  
27 pecuniary interest in a corporation, association, partnership or other  
28 business organization which provides information services, systems  
29 or technology to an agency , *board or commission* of this State.

30 2. Each person appointed pursuant to paragraph (f) of  
31 subsection 1 serves for a term of 2 years. No person so appointed  
32 may serve more than 2 consecutive terms.

33 3. At the first regular meeting of each calendar year, the  
34 members of the Board shall elect a Chair by majority vote.

35 **Sec. 4.** NRS 242.124 is hereby amended to read as follows:

36 242.124 1. The Board shall:

37 (a) Advise the Department concerning issues relating to  
38 information technology, including, without limitation, the  
39 development, acquisition, consolidation and integration of, and  
40 policies, planning and standards for, information technology.

41 (b) Periodically review the Department's statewide strategic  
42 plans and standards manual for information technology.

43 (c) Review the Department's proposed budget before its  
44 submission to the Budget Division of the Department of  
45 Administration.



2. The Board may:

(a) With the consent of the Department, recommend goals and objectives for the Department, including periods and deadlines in which to achieve those goals and objectives.

(b) Upon request by a using agency, *board or commission*, review issues and policies concerning information technology to resolve disputes with the Department.

(c) Review the plans for information technology of each using agency ~~(j)~~, *board or commission*.

**Sec. 5.** NRS 242.131 is hereby amended to read as follows:

242.131 1. The Department shall provide state agencies, *boards, commissions* and elected state officers with all their required design of information systems. All agencies, *boards, commissions* and officers must use those services and equipment, except as otherwise provided in subsection 2.

2. The following *officers and* agencies may negotiate with the Department for its services or the use of its equipment, subject to the provisions of this chapter, and the Department shall provide those services and the use of that equipment as may be mutually agreed:

(a) The Court Administrator;

~~(b) The Department of Motor Vehicles;~~

~~(c) The Department of Public Safety;~~

~~(d) The Department of Transportation;~~

~~(e) The Employment Security Division of the Department of Employment, Training and Rehabilitation;~~

~~(f) The Department of Wildlife;~~

~~(g) The Housing Division of the Department of Business and Industry;~~

~~(h) The Legislative Counsel Bureau;~~

~~(i) (c) The State Controller;~~

~~(j) (d) The State Gaming Control Board and Nevada Gaming Commission; and~~

~~(k) (e) The Nevada System of Higher Education.~~

3. Any state agency, *board, commission* or elected state officer who uses the services of the Department and desires to withdraw substantially from that use must apply to the Director for approval. The application must set forth justification for the withdrawal. If the Director denies the application, the agency, *board, commission* or officer must:

(a) If the Legislature is in regular or special session, obtain the approval of the Legislature by concurrent resolution.

(b) If the Legislature is not in regular or special session, obtain the approval of the Interim Finance Committee. The Director shall, within 45 days after receipt of the application, forward the application together with his or her recommendation for approval or



1 denial to the Interim Finance Committee. The Interim Finance  
2 Committee has 45 days after the application and recommendation  
3 are submitted to its Secretary within which to consider the  
4 application. Any application which is not considered by the  
5 Committee within the 45-day period shall be deemed approved.

6 4. If the demand for services or use of equipment exceeds the  
7 capability of the Department to provide them, the Department may  
8 contract with other agencies or independent contractors to furnish  
9 the required services or use of equipment and is responsible for the  
10 administration of the contracts.

11 **Sec. 6.** NRS 242.135 is hereby amended to read as follows:

12 242.135 1. The Director may recommend to the Governor  
13 that a state agency , *board, commission* or elected officer that is  
14 required to use the Department's equipment or services be  
15 authorized to employ one or more persons to provide information  
16 services exclusively for the agency , *board, commission* or officer  
17 if:

18 (a) The Director finds that it is in the best interests of the State  
19 to authorize the employment by the agency , *board, commission* or  
20 elected officer;

21 (b) The agency , *board, commission* or elected officer agrees to  
22 provide annually to the Department sufficient information to  
23 determine whether the authorized employment continues to be in the  
24 best interests of the State; and

25 (c) The agency , *board, commission* or elected officer agrees to  
26 ensure that the person or persons employed complies with the  
27 provisions of this chapter and the regulations adopted thereunder.

28 2. The Director may recommend to the Governor the  
29 revocation of the authority of a state agency , *board, commission* or  
30 elected officer to employ a person or persons pursuant to subsection  
31 1 if the Director finds that the person or persons employed have not  
32 complied with the provisions of this chapter or the regulations  
33 adopted thereunder.

34 **Sec. 7.** NRS 242.151 is hereby amended to read as follows:

35 242.151 The Director shall advise the using agencies , *boards*  
36 *and commissions* regarding:

37 1. The policy for information services of the Executive Branch  
38 of Government, as that policy relates, but is not limited, to such  
39 items as standards for systems and programming and criteria for the  
40 selection, location and use of information systems in order that the  
41 requirements of state agencies , *boards, commissions* and officers  
42 may be met at the least cost to the State;

43 2. The procedures in performing information services; and

44 3. The effective administration and use of the computer  
45 facility, including security to prevent unauthorized access to data



1 and plans for the recovery of systems and applications after they  
2 have been disrupted.

3 **Sec. 8.** NRS 242.161 is hereby amended to read as follows:

4 242.161 1. All equipment of an agency , *board, commission*  
5 or elected state officer which is owned or leased by the State must  
6 be under the managerial control of the Department, except the  
7 equipment of the agencies and officers specified in subsection 2 of  
8 NRS 242.131.

9 2. The Department may ~~permit~~ *allow* an agency , *board or*  
10 *commission* which is required to use such equipment to operate it  
11 on the ~~agency's~~ premises ~~of~~ *of the agency, board or commission.*

12 **Sec. 9.** NRS 242.171 is hereby amended to read as follows:

13 242.171 1. The Department is responsible for:

14 (a) The applications of information systems;

15 (b) Designing and placing those systems in operation;

16 (c) Any application of an information system which it furnishes  
17 to state agencies , *boards, commissions* and officers after  
18 negotiation; and

19 (d) The writing, testing and performance of programs,

20 ~~for~~ for the state agencies , *boards, commissions* and elected state  
21 officers which are required to use its services.

22 2. The Director shall review and approve or disapprove,  
23 pursuant to standards for justifying cost, any application of an  
24 information system having an estimated developmental cost of  
25 \$50,000 or more. No using agency , *board or commission* may  
26 commence development work on any such applications until  
27 approval and authorization have been obtained from the Director.

28 **Sec. 10.** NRS 242.181 is hereby amended to read as follows:

29 242.181 1. Any state agency , *board, commission* or elected  
30 state officer which uses the equipment or services of the Department  
31 shall adhere to the regulations, standards, practices, policies and  
32 conventions of the Department.

33 2. The Department shall provide services to each agency ,  
34 *board and commission* uniformly with respect to degree of service,  
35 priority of service, availability of service and cost of service.

36 **Sec. 11.** NRS 242.191 is hereby amended to read as follows:

37 242.191 1. Except as otherwise provided in subsection 3, the  
38 amount receivable from an agency , *board or commission* availing  
39 itself of the services of the Department must be determined by the  
40 Director in each case and include:

41 (a) The annual expense, including depreciation, of operating and  
42 maintaining the Communication and Computing Division,  
43 distributed among the agencies , *boards and commissions* in  
44 proportion to the services performed for each agency ~~of~~ , *board and*  
45 *commission.*



1 (b) A service charge in an amount determined by distributing the  
2 monthly installment for the construction costs of the computer  
3 facility among the agencies , *boards and commissions* in proportion  
4 to the services performed for each agency ~~{} , board and~~  
5 *commission.*

6 2. The Director shall prepare and submit monthly to the  
7 agencies , *boards and commissions* for which services of  
8 the Department have been performed an itemized statement of the  
9 amount receivable from each agency ~~{} , board and commission.~~

10 3. The Director may authorize, if in his or her judgment the  
11 circumstances warrant, a fixed cost billing, including a factor for  
12 depreciation, for services rendered to an agency ~~{} , board or~~  
13 *commission.*

14 **Sec. 12.** NRS 242.211 is hereby amended to read as follows:

15 242.211 1. The Fund for Information Services is hereby  
16 created as an internal service fund. Money from the Fund must be  
17 paid out on claims as other claims against the State are paid. The  
18 claims must be made in accordance with budget allotments and are  
19 subject to postaudit examination and approval.

20 2. All operating, maintenance, rental, repair and replacement  
21 costs of equipment and all salaries of personnel assigned to the  
22 Department must be paid from the Fund.

23 3. Each agency , *board and commission* using the services of  
24 the Department shall pay a fee for that use to the Fund, which must  
25 be set by the Director in an amount sufficient to reimburse the  
26 Department for the entire cost of providing those services, including  
27 overhead. Each using agency , *board and commission* shall budget  
28 for those services. All fees, proceeds from the sale of equipment and  
29 any other money received by the Department must be deposited  
30 with the State Treasurer for credit to the Fund.

31 **Sec. 13.** NRS 242.231 is hereby amended to read as follows:

32 242.231 1. Upon the receipt of a statement submitted  
33 pursuant to subsection 2 of NRS 242.191, each agency , *board and*  
34 *commission* shall authorize the State Controller by transfer or  
35 warrant to draw money from the ~~{agency's}~~ account *of the agency,*  
36 *board or commission* in the amount of the statement for transfer to  
37 or placement in the Fund for Information Services.

38 2. *The provisions of subsection 1 do not apply to boards that*  
39 *are exempt from the provisions of chapter 353 of NRS pursuant to*  
40 *NRS 353.005. Such boards must pay the amount of the statement*  
41 *submitted pursuant to subsection 2 of NRS 242.191 to the Fund*  
42 *for Information Services upon receipt of the statement.*

43 **Sec. 14.** This act becomes effective on July 1, 2011.

