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CHAPTER 354 - LOCAL FINANCIAL ADMINISTRATION

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GENERAL PROVISIONS

NAC 354.001 Definitions. ([NRS 354.107](#)) As used in this chapter, unless the context otherwise requires, the words and terms defined in:

- [NAC 354.002](#), [354.003](#) and [354.005](#) have the meanings ascribed to them in those sections; and
 - The Local Government Budget and Finance Act, [NRS 354.470](#) to [354.626](#), inclusive, have the meanings ascribed to them in that act.
- (Added to NAC by Com. on Local Gov't Finance by R201-01, eff. 4-5-2002)

NAC 354.002 "Committee" defined. ([NRS 354.107](#)) "Committee" means the Committee on Local Government Finance created pursuant to [NRS 354.105](#).

(Added to NAC by Com. on Local Gov't Finance by R201-01, eff. 4-5-2002)

NAC 354.003 "Department" defined. ([NRS 354.107](#)) "Department" means the Department of Taxation.

(Added to NAC by Com. on Local Gov't Finance by R201-01, eff. 4-5-2002)

NAC 354.005 "Local government" defined. ([NRS 354.107](#)) "Local government" means any local government subject to the provisions of the Local Government Budget and Finance Act, [NRS 354.470](#) to [354.626](#), inclusive.

(Added to NAC by Com. on Local Gov't Finance by R201-01, eff. 4-5-2002)

EXEMPTION OF SPECIAL DISTRICTS FROM CERTAIN REQUIREMENTS

NAC 354.010 Eligible districts; authorized exemptions; petition for exemption. ([NRS 354.107](#), [354.475](#), [354.594](#))

- Any special district with annual total expenditures of less than \$200,000 during a current fiscal year and annual total expenditures of less than \$200,000 budgeted for the succeeding fiscal year may petition the Department for exemption from all or any one of the following:
 - Filing of a tentative budget.
 - Filing of independent audit reports.
 - Publishing requirements of the Local Government Budget and Finance Act, [NRS 354.470](#) to [354.626](#), inclusive, other than the annual publication of a notice of budget adoption and filing.
 - Maintaining accounting records on an accrual or modified accrual basis.
- The petition must be in the form of an ordinance or resolution adopted by the governing body of the district.
- No district will be granted an exemption if it is:
 - In noncompliance with any law or regulation at the time the petition is made; or
 - In default in payments due for the redemption of any bond or for any other outstanding indebtedness.

[Tax Comm'n, Local Gov't Reg. No. 14 § 1, eff. 9-7-73; A 2-7-76; No. 14 § 4, eff. 9-7-73] — (NAC A 1-10-84; 1-16-92; A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

NAC 354.020 Action on petition of district. ([NRS 354.107](#), [354.475](#), [354.594](#))

- The Department has final authority to grant all or part of the petition of each special district. The Executive Director may act on behalf of the Department in granting or denying the petition of any special district filed pursuant to [NAC 354.010](#) to [354.040](#), inclusive.
 - The Department's determination must be made and the special district must be notified of that determination not later than 30 days after the special district files the petition with the Department.
- [Tax Comm'n, Local Gov't Reg. No. 14 §§ 3 & 6, eff. 9-7-73; A 2-7-76] — (A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

NAC 354.030 Petition to reconsider audit exemption. ([NRS 354.107](#), [354.475](#), [354.594](#))

1. A board of county commissioners may petition the Department to reconsider an audit exemption on any exempt district.

2. The granting of an exemption does not preclude the Department from ordering that a subsequent audit cover exempt fiscal periods.

[Tax Comm'n, Local Gov't Reg. No. 14 § 7, eff. 9-7-73; A 2-7-76]

NAC 354.040 Information to be filed by exempt district. ([NRS 354.107](#), [354.475](#), [354.594](#)) In addition to the filings required by [NRS 354.475](#), a district which has been granted an exemption shall file a:

1. Statement of revenues, expenditures and changes in fund balance.

2. Balance sheet.

[Tax Comm'n, Local Gov't Reg. No. 14 § 2, eff. 9-7-73] — (NAC A 1-10-84; 5-16-86)

NAC 354.050 Public hearing by exempt district concerning its budget. ([NRS 354.107](#), [354.475](#), [354.594](#))

1. A special district that has been exempted from the requirement of filing its tentative budget and audit reports pursuant to the provisions of [NRS 354.475](#) and [NAC 354.010](#) to [354.040](#), inclusive, shall hold a public hearing concerning its final budget before submitting the final budget to the Department.

2. The officer charged by law with the preparation of the district's budget or the governing body of the district shall cause a notice of the public hearing to be published in a newspaper of general circulation within the area of the district. The publication must occur not more than 14 nor less than 7 days before the date set for the hearing. An alternative method of publication may be used with the prior approval of the Department. The notice must contain the following information:

(a) The time and place of the public hearing;

(b) The location at which and the times during which the budget document is available for public inspection; and

(c) That the budget document has been prepared with the detail and in the form prescribed by the Department.

(Added to NAC by Tax Comm'n, eff. 10-26-84; A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

TRANSFER OF GOVERNMENTAL FUNCTIONS BETWEEN LOCAL GOVERNMENTS AND STATE AGENCIES

NAC 354.060 Definitions. ([NRS 353.203](#), [354.5943](#)) As used in [NAC 354.060](#) to [354.090](#), inclusive, unless the context otherwise requires, the words and terms defined in [NAC 354.062](#) to [354.074](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NAC by Com. on Local Gov't Finance by R012-10, eff. 6-30-2010)

NAC 354.062 "Affected entity" defined. ([NRS 353.203](#), [354.5943](#)) "Affected entity" means a state agency or local government from which a function is proposed to be transferred and a state agency or local government to which a function is proposed to be transferred.

(Added to NAC by Com. on Local Gov't Finance by R012-10, eff. 6-30-2010)

NAC 354.064 "Function" defined. ([NRS 353.203](#), [354.5943](#)) "Function" has the meaning ascribed to it in [NRS 354.529](#) and includes, without limitation, any administrative activities and responsibilities associated with a function, including, without limitation, those relating to budgeting, contracting, finances, personnel, office facilities, information technology and communications.

(Added to NAC by Com. on Local Gov't Finance by R012-10, eff. 6-30-2010)

NAC 354.066 "Interested person" defined. ([NRS 353.203](#), [354.5943](#)) "Interested person" means a person, government, governmental agency or political subdivision of a government, other than an affected entity, who is directly and substantially affected by the transfer of a function from a state agency to a local government, from a local government to a state agency or from a local government to another local government.

(Added to NAC by Com. on Local Gov't Finance by R012-10, eff. 6-30-2010)

NAC 354.068 "Intergovernmental agreement" defined. ([NRS 353.203](#), [354.5943](#)) "Intergovernmental agreement" means a written agreement between the affected entities for the implementation of the transfer of a function from a state agency to a local government, from a local government to a state agency or from a local government to another local government.

(Added to NAC by Com. on Local Gov't Finance by R012-10, eff. 6-30-2010)

NAC 354.070 "Lead entity" defined. ([NRS 353.203](#), [354.5943](#)) "Lead entity" means the affected entity who is designated to act as the lead entity pursuant to subsection 2 of [NAC 354.080](#).

(Added to NAC by Com. on Local Gov't Finance by R012-10, eff. 6-30-2010)

NAC 354.072 “State agency” defined. ([NRS 353.203](#), [354.5943](#)) “State agency” means an agency, a bureau, a board, a commission, a department, a division or any other unit of the Executive Branch of the State Government, other than such an entity which is administered by an elected officer of the State.

(Added to NAC by Com. on Local Gov’t Finance by R012-10, eff. 6-30-2010)

NAC 354.074 “Transfer plan” defined. ([NRS 353.203](#), [354.5943](#)) “Transfer plan” means a written plan for the implementation of the transfer of a function from a state agency to a local government, from a local government to a state agency or from a local government to another local government.

(Added to NAC by Com. on Local Gov’t Finance by R012-10, eff. 6-30-2010)

NAC 354.076 Applicability. ([NRS 353.203](#), [354.5943](#))

1. Except as otherwise provided in subsection 2, the provisions of [NAC 354.060](#) to [354.090](#), inclusive, apply to the transfer of a function from a state agency to a local government, from a local government to a state agency or from a local government to another local government.

2. The provisions of [NAC 354.060](#) to [354.090](#), inclusive, do not apply to the transfer of a function as a result of:

- (a) The creation of a new governmental entity; or
- (b) The detachment of any territory from a taxing district and its annexation to another taxing district.

(Added to NAC by Com. on Local Gov’t Finance by R012-10, eff. 6-30-2010)

NAC 354.078 Notice of intent to transfer function; preparation and approval of transfer plan or intergovernmental agreement. ([NRS 353.203](#), [354.5943](#)) Before transferring a function from a state agency to a local government, from a local government to a state agency or from a local government to another local government:

1. Except as otherwise provided in this subsection, notice of the intent to transfer the function must be provided to the affected entities:

(a) If the transfer is from a state agency to a local government or from a local government to a state agency, not less than 30 days before September 1 of an even-numbered year, unless a different period of notification is required by a statute or by contractual agreement; or

(b) If the transfer is from a local government to another local government, not less than 180 days before the effective date of the transfer, unless a different period of notification is required by a statute or by contractual agreement.

↪ The affected entities may, by mutual agreement, waive the notice otherwise required by this subsection.

2. If the affected entities:

(a) Do not agree to waive the notice required by subsection 1, the affected entities must jointly prepare a transfer plan for the transfer in accordance with the provisions of [NAC 354.080](#) to [354.088](#), inclusive; or

(b) Agree to waive the notice required by subsection 1, the affected entities must jointly prepare an intergovernmental agreement for the transfer in accordance with the provisions of [NAC 354.084](#), [354.086](#) and [354.088](#).

3. Each of the affected entities must approve the transfer plan or intergovernmental agreement at a public hearing held in accordance with the provisions of [NAC 354.088](#).

(Added to NAC by Com. on Local Gov’t Finance by R012-10, eff. 6-30-2010)

NAC 354.080 Lead entity: Responsibilities; designation by affected entities; requests for information. ([NRS 353.203](#), [354.5943](#))

1. If the affected entities are required to prepare a transfer plan for the transfer of a function, one of the affected entities must act as the lead entity to be responsible for:

- (a) Collecting data pertaining to the function proposed to be transferred;
- (b) Identifying any interested persons;
- (c) Preparing a tentative draft of the transfer plan; and
- (d) Carrying out any other duties prescribed for the lead agency by [NAC 354.060](#) to [354.090](#), inclusive.

2. If the proposed transfer is from:

(a) A state agency to a local government or from a local government to a state agency, the affected entities must, by mutual agreement, designate one of the affected entities to act as the lead entity; or

(b) A local government to another local government, the affected entities may, by mutual agreement, designate one of the affected entities to act as the lead entity. In the absence of such a designation, the affected entity who initially proposed the transfer shall be deemed to be designated to act as the lead entity.

3. The lead entity may request from the other affected entity and any interested person such information relating to the function proposed to be transferred as may be necessary for the lead entity to prepare a tentative draft of the transfer plan, including, without limitation, a description of the function and information concerning the property and other assets used in the performance of the function, the operating costs for the function, contracts relating to the performance of the function, liabilities and pending claims relating to the function, and mechanisms for funding the performance of the function. An affected entity or interested person shall, not later than 30 days after receiving a written request for such information from the lead entity, provide the requested information to the lead entity.

(Added to NAC by Com. on Local Gov't Finance by R012-10, eff. 6-30-2010)

NAC 354.082 Action on tentative draft of transfer plan; proposed transfer plan. ([NRS 353.203](#), [354.5943](#))

1. Upon completing a tentative draft of a transfer plan, the lead entity shall:
 - (a) Provide the notice required by subsection 1 of [NAC 354.078](#); and
 - (b) Provide a copy of the draft to the other affected entity and any interested persons identified by the lead entity.
2. The affected entity or any of the interested persons to whom a copy of the tentative draft is provided pursuant to subsection 1 may, within 45 days after the affected entity or interested person receives the copy of the draft, object to any of the provisions contained in the draft by providing to the lead entity a written statement of its objections. The statement may include any alternative provisions which the affected entity or interested person desires to be included in the proposed transfer plan. The failure of an affected entity or interested person to object to any of the provisions of a tentative draft of a transfer plan as provided in this subsection does not affect the right of the affected entity or interested person to object to any of the provisions of the transfer plan at any time before the approval of the transfer plan by both of the affected entities in accordance with subsection 3 of [NAC 354.078](#).
3. If the lead entity:
 - (a) Does not receive any objections pursuant to subsection 2, the tentative draft constitutes a proposed transfer plan for the purposes of [NAC 354.088](#).
 - (b) Receives any objections pursuant to subsection 2:
 - (1) The affected entities shall review the objections and may consider any alternative provisions contained in each written statement of objections and any other alternative provisions proposed by the affected entities. If the affected entities are unable to agree on the provisions of a proposed transfer plan within 30 days after the date the last written statement of objections is provided to the lead entity pursuant to subsection 2, the affected entities may submit to the Committee, jointly or individually, a written request for assistance from the Committee in resolving any disagreements concerning those provisions. Upon the receipt of such a request, the Chair of the Committee shall appoint a subcommittee of the Committee to provide the requested assistance. Not later than 15 days after the receipt of the request, the subcommittee shall meet with representatives of the affected entities and provide any recommendations regarding those provisions as the subcommittee determines to be appropriate. The affected entities are not required to follow any recommendations of the subcommittee.
 - (2) Upon the agreement of the affected entities to the provisions of a proposed transfer plan, the lead entity shall:
 - (I) Prepare the proposed transfer plan in accordance with that agreement; and
 - (II) Provide a copy of the proposed transfer plan to the other affected entity and to any interested persons identified by the lead entity.

(Added to NAC by Com. on Local Gov't Finance by R012-10, eff. 6-30-2010)

NAC 354.084 Transfer plans and intergovernmental agreements: Contents. ([NRS 353.203](#), [354.5943](#)) A transfer plan or intergovernmental agreement:

1. Must include:
 - (a) Such information as is necessary to complete the transfer of the function, including, without limitation, a complete description of:
 - (1) The function being transferred; and
 - (2) The mechanism to be used to pay for the performance of that function; and
 - (b) The effective date of the transfer of the function. If the transfer is from a state agency to a local government or from a local government to a state agency, and the affected entities have not agreed to waive the notice required by subsection 1 of [NAC 354.078](#), the effective date of the transfer must not be any earlier than July 1 of the year after the year in which that notice is given, except that the affected entities, by mutual agreement, may specify an earlier effective date.
2. May include, without limitation, one or more of the following:
 - (a) The statutory authority for the performance of the function being transferred.
 - (b) A description of the reasons for the transfer of the function, such as, without limitation, any improvements in the management or delivery of governmental services, in the implementation of the laws of this State or in the efficiency of governmental operations which are expected to result from the transfer.
 - (c) A description of any potential financial effect of the transfer of the function on the affected entities, such as, without limitation, any potential effect of the transfer on the amount an affected entity will receive from the Local Government Tax Distribution Account or will be allowed to receive from taxes ad valorem.
 - (d) A detailed description of the transfer or other disposition, including the timing thereof, of any records, property or personnel affected by the transfer of the function.
 - (e) An analysis of the effect of the transfer of the function on the employees who were administering the function before the transfer and the status of those employees upon the completion of the transfer.
 - (f) Information concerning the payment of any outstanding obligations relating to the function being transferred, such as, without limitation, the affected entity responsible for the outstanding obligations, the manner and timing of the

payment of the outstanding obligations, and methods to ensure the sufficiency of assets to satisfy the outstanding obligations.

(g) Information concerning the affected entity responsible for prosecuting, defending or conducting any proceedings relating to the function being transferred which are pending on the effective date of the transfer of the function.

(h) A description of any conditions under which the transfer of the function may be terminated or rescinded and of any procedure for terminating or rescinding the transfer.

(i) Any procedure for resolving any disputes between the affected entities regarding the transfer of the function which arise after the transfer.

(Added to NAC by Com. on Local Gov't Finance by R012-10, eff. 6-30-2010)

NAC 354.086 Transfer plans and intergovernmental agreements: Limitations; scope. ([NRS 353.203, 354.5943](#))

1. No transfer plan or intergovernmental agreement may authorize:

(a) A local government or state agency to perform a function that it is not expressly authorized by law to perform on the effective date of the transfer of the function; or

(b) The continuation of a function beyond the period authorized by law for the performance of the function or beyond the date on which the performance of the function would have terminated if the function had not been transferred.

2. Except as otherwise specifically provided in a transfer plan or an intergovernmental agreement, the provisions thereof do not:

(a) Limit or alter the effect of any regulation or ordinance adopted by an affected entity or any other action taken by an affected entity before the effective date of the transfer of the function; or

(b) Abate any proceedings:

(1) Commenced by an affected entity before the effective date of the transfer of the function; or

(2) Pending before an affected entity on the effective date of the transfer of the function.

(Added to NAC by Com. on Local Gov't Finance by R012-10, eff. 6-30-2010)

NAC 354.088 Transfer plans and intergovernmental agreements: Workshops and public hearings. ([NRS 353.203, 354.5943](#))

1. Before approving a transfer plan or an intergovernmental agreement, the affected entities:

(a) May jointly hold one or more workshops in accordance with the provisions of subsection 2 to solicit comments regarding one or more general topics to be addressed in a proposed transfer plan or intergovernmental agreement; and

(b) Shall, jointly or individually, hold a public hearing in accordance with the provisions of subsection 3 to approve or disapprove the proposed transfer plan or intergovernmental agreement.

2. If the affected entities hold one or more workshops pursuant to paragraph (a) of subsection 1:

(a) Each such workshop must be held:

(1) At a location within an area where the function proposed to be transferred is provided; and

(2) Not later than 90 days before the effective date of the transfer of the function pursuant to the transfer plan or intergovernmental agreement; and

(b) Not less than 15 days before each such workshop, the affected entities shall provide notice of the time and place set for the workshop:

(1) In writing to each person who has requested to be placed on a mailing list for the provision of such notice; and

(2) In any other manner reasonably calculated to provide such notice to the general public and any interested persons.

3. Except as otherwise provided in this subsection, each public hearing required by paragraph (b) of subsection 1 must be conducted in accordance with the provisions of [chapter 241](#) of NRS. If the affected entities:

(a) Hold one or more workshops pursuant to paragraph (a) of subsection 1 regarding the proposed transfer plan or intergovernmental agreement or do not agree to waive the notice required by subsection 1 of [NAC 354.078](#), the public hearing must be held not less than 30 days after the date on which:

(1) The last such workshop is held; or

(2) The notice is provided pursuant to subsection 1 of [NAC 354.078](#),

↪ whichever occurs later; or

(b) Do not hold any workshops pursuant to paragraph (a) of subsection 1 regarding the proposed transfer plan or intergovernmental agreement and agree to waive the notice required by subsection 1 of [NAC 354.078](#), the public hearing must be held not less than 30 days after public notice of the hearing has been given.

(Added to NAC by Com. on Local Gov't Finance by R012-10, eff. 6-30-2010)

NAC 354.090 Transfer plans and intergovernmental agreements: Expiration of approval; disapproval. ([NRS 353.203, 354.5943](#))

1. The approval of a transfer plan or an intergovernmental agreement by an affected entity shall be deemed to expire 1 year after the date of that approval unless:

- (a) The transfer of the applicable function has been completed within that period;
- (b) The transfer plan or intergovernmental agreement specifies a different period for the expiration of that approval;

or

(c) The affected entities, by mutual agreement, agree to extend the applicable period for the expiration of that approval.

2. If a local government or state agency disapproves a transfer plan or an intergovernmental agreement, the governing body of that local government or the chief administrative officer of that state agency shall notify the affected entities and interested persons of the disapproval and of the reasons for the disapproval.

(Added to NAC by Com. on Local Gov't Finance by R012-10, eff. 6-30-2010)

CONSOLIDATION OR SHARING OF SERVICES, FUNCTIONS OR PERSONNEL AMONG SCHOOL DISTRICTS

NAC 354.095 Definitions. ([NRS 386.353](#)) As used in [NAC 354.095](#) to [354.0974](#), inclusive, unless the context otherwise requires, the words and terms defined in [NAC 354.0952](#) to [354.0962](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NAC by Com. on Local Gov't Finance by R006-12, eff. 12-20-2012)

NAC 354.0952 "Affected district" defined. ([NRS 386.353](#)) "Affected district" means a school district for which the consolidation or sharing of one or more services or functions or of personnel has been proposed.

(Added to NAC by Com. on Local Gov't Finance by R006-12, eff. 12-20-2012)

NAC 354.0954 "Function" defined. ([NRS 386.353](#)) "Function" has the meaning ascribed to it in [NRS 354.529](#) and includes, without limitation, any administrative activities and responsibilities associated with a function, including, without limitation, those relating to budgeting, contracting, finances, personnel, office facilities, information technology and communications.

(Added to NAC by Com. on Local Gov't Finance by R006-12, eff. 12-20-2012)

NAC 354.0956 "Interdistrict service agreement" defined. ([NRS 386.353](#)) "Interdistrict service agreement" means a written agreement between two or more affected districts which provides for the consolidation or sharing of one or more services or functions or of personnel.

(Added to NAC by Com. on Local Gov't Finance by R006-12, eff. 12-20-2012)

NAC 354.0958 "Interdistrict service plan" defined. ([NRS 386.353](#)) "Interdistrict service plan" means a written plan which provides for the implementation of an interdistrict service agreement.

(Added to NAC by Com. on Local Gov't Finance by R006-12, eff. 12-20-2012)

NAC 354.096 "Interested person" defined. ([NRS 386.353](#)) "Interested person" means a person, government, governmental agency or political subdivision of a government, other than an affected district, who is directly and substantially affected by the consolidation or sharing of a service or function or of personnel by two or more affected districts.

(Added to NAC by Com. on Local Gov't Finance by R006-12, eff. 12-20-2012)

NAC 354.0962 "Lead district" defined. ([NRS 386.353](#)) "Lead district" means the affected district which is designated to act as the lead district pursuant to subsection 1 of [NAC 354.0964](#).

(Added to NAC by Com. on Local Gov't Finance by R006-12, eff. 12-20-2012)

NAC 354.0964 Lead district: Designation; duties; requests for information. ([NRS 386.353](#))

1. If two or more school districts wish to enter into an interdistrict service agreement, each affected district must, by mutual agreement, designate one of the affected districts to act as the lead district. In the absence of such a designation, the affected district which initially proposed the consolidation or sharing of a service or function or of personnel shall act as the lead district.

2. A lead district shall:

(a) Collect data pertaining to each service or function or the personnel for which the consolidation or sharing is proposed;

(b) Identify any interested persons;

(c) Prepare a tentative draft of an interdistrict service plan; and

(d) Carry out any other duties prescribed for the lead district pursuant to [NAC 354.095](#) to [354.0974](#), inclusive.

3. A lead district may request in writing from any affected district or interested person such information relating to each service or function or the personnel for which consolidation or sharing is proposed as may be necessary for the

lead district to prepare a tentative draft of an interdistrict service plan, including, without limitation, a description of each service or function or the personnel for which consolidation or sharing is proposed and information concerning:

(a) Any property or other assets used to provide any service, function or personnel for which consolidation or sharing is proposed;

(b) The operating costs for each service or function or the personnel for which consolidation or sharing is proposed;

(c) Any contracts relating to the provision of any service, function or personnel for which consolidation or sharing is proposed;

(d) Any liabilities or pending claims relating to any service, function or personnel for which consolidation or sharing is proposed; and

(e) The mechanism for funding each service or function or the personnel for which consolidation or sharing is proposed.

4. An affected district or interested person shall, not later than 30 days after receiving a written request for information from a lead district pursuant to subsection 3, provide the requested information to the lead district.

(Added to NAC by Com. on Local Gov't Finance by R006-12, eff. 12-20-2012)

NAC 354.0966 Action on tentative draft of interdistrict service plan; proposed interdistrict service plan. (NRS 386.353)

1. Upon completing a tentative draft of an interdistrict service plan, a lead district shall provide to each affected district and interested person identified by the lead district a copy of the draft.

2. An affected district or interested person to whom a copy of a tentative draft is provided pursuant to subsection 1 may, not later than 45 days after the affected district or interested person receives a copy of the draft, object to any of the provisions contained in the draft by providing the lead district with a written statement of its objections. The statement may include any alternative provisions which the affected district or interested person desires to be included in the proposed interdistrict service plan.

3. If a lead district:

(a) Does not receive an objection pursuant to subsection 2, the tentative draft constitutes a proposed interdistrict service plan.

(b) Receives an objection pursuant to subsection 2:

(1) Each affected district shall review the objection and may consider any alternative provisions contained in the written statement of objections and any other alternative provisions proposed by an affected district or interested person. If the affected districts are unable to agree on the provisions of a proposed interdistrict service plan within 30 days after receiving the last written statement of objections submitted pursuant to subsection 2, the affected districts may, either jointly or individually, submit to the Department of Education a written request for assistance in resolving any disagreements concerning the proposed interdistrict service plan. An affected district is not required to follow any recommendation of the Department of Education issued pursuant to this subparagraph.

(2) The lead district shall, upon the mutual agreement of each affected district to the provisions of a proposed interdistrict service plan:

(I) Prepare the proposed interdistrict service plan in accordance with that agreement; and

(II) Provide a copy of the proposed interdistrict service plan to each affected district and interested person identified by the lead district.

(Added to NAC by Com. on Local Gov't Finance by R006-12, eff. 12-20-2012)

NAC 354.0968 Interdistrict service plans: Contents. (NRS 386.353) An interdistrict service plan:

1. Must include:

(a) Such information as is necessary to complete the consolidation or sharing of each service or function or of personnel as prescribed by the interdistrict service agreement, including, without limitation, a complete description of:

(1) Each service or function or the personnel being consolidated or shared; and

(2) The mechanism to fund each service or function or the personnel; and

(b) The effective date of the consolidation or sharing of each service or function or the personnel.

2. May include, without limitation, one or more of the following:

(a) The statutory authority for the provision of each service, the performance of each function and the employment of the personnel being consolidated or shared pursuant to the interdistrict service agreement.

(b) The reasons for the consolidation or sharing of each service or function or the personnel, which may include, without limitation, any improvements in the management or delivery of a service or function or the management of personnel, in the implementation of the laws of this State or in operational efficiency which are expected to result from the consolidation or sharing of any service, function or personnel.

(c) For each service or function or for the personnel being consolidated or shared, a description of any potential financial effect on any affected district, which may include, without limitation, any potential financial effect on the amount an affected district will receive from the Local Government Tax Distribution Account or will be allowed to receive from taxes ad valorem.

(d) A description of the transfer or other disposition, including the timing thereof, of any records, property or personnel as a result of the consolidation or sharing of a service or function or of personnel.

(e) An analysis of the effect of the consolidation or sharing of each service or function or of personnel on the employees of each affected district.

(f) Information concerning the payment of any outstanding obligation relating to the consolidation or sharing of a service or function or of personnel, which may include, without limitation, the affected school responsible for the outstanding obligation, the manner and timing of the payment of the outstanding obligation, and methods to ensure the sufficiency of assets to satisfy the outstanding obligation.

(g) Information concerning the affected district responsible for prosecuting, defending or conducting any proceeding relating to the consolidation or sharing of a service or function or of personnel which is pending when the consolidation or sharing of the service, function or personnel goes into effect.

(h) A description of any conditions under which the consolidation or sharing of a service or function or of personnel may be terminated or rescinded and of any procedure for terminating or rescinding the consolidation or sharing of a service or function or of personnel.

(i) Any procedure for resolving a dispute between two or more affected districts regarding the consolidation or sharing of a service or function or of personnel.

(Added to NAC by Com. on Local Gov't Finance by R006-12, eff. 12-20-2012)

NAC 354.097 Interdistrict service plans and interdistrict service agreements: Limitations; scope. ([NRS 386.353](#))

1. An interdistrict service plan must not authorize an affected district to:

(a) Provide a service, perform a function or employ personnel which the affected district is not expressly authorized by law to provide, perform or employ on the effective date of the consolidation or sharing of the respective service, function or personnel.

(b) Continue to provide a service, perform a function or employ personnel beyond the period prescribed by law for such provision, performance or employment or beyond the date on which the authority for such provision, performance or employment would expire if the respective service, function or personnel had not been consolidated or shared.

2. Except as otherwise specifically provided in an interdistrict service plan or an interdistrict service agreement, the provisions of an interdistrict service plan or interdistrict service agreement do not:

(a) Limit or alter the effect of any ordinance or resolution adopted by an affected district or any other action taken by an affected district before the effective date of the consolidation or sharing of a service or function or of personnel; or

(b) Abate any proceedings:

(1) Commenced by an affected district before the effective date of the consolidation or sharing of a service or function or of personnel; or

(2) Pending before an affected district on the effective date of the consolidation or sharing of a service or function or of personnel.

(Added to NAC by Com. on Local Gov't Finance by R006-12, eff. 12-20-2012)

NAC 354.0972 Interdistrict service plans and interdistrict service agreements: Workshops and public hearings. ([NRS 386.353](#)) Before approving an interdistrict service plan or interdistrict service agreement, the affected districts:

1. May jointly hold one or more workshops in each affected district to solicit comments regarding one or more general topics to be addressed in a proposed interdistrict service plan or interdistrict service agreement; and

2. Shall, either jointly or individually, hold a public hearing to approve or disapprove the proposed interdistrict service plan or interdistrict service agreement in accordance with the provisions of [chapter 241](#) of NRS.

(Added to NAC by Com. on Local Gov't Finance by R006-12, eff. 12-20-2012)

NAC 354.0974 Interdistrict service plans and interdistrict service agreements: Expiration of approval. ([NRS 386.353](#)) The approval of an interdistrict service plan or an interdistrict service agreement by an affected district expires 1 year after the date of that approval unless:

1. The consolidation or sharing of each service or function or of personnel as prescribed by the plan has been completed within that period;

2. The interdistrict service plan or interdistrict service agreement specifies a different period for the expiration of that approval; or

3. Each affected district, by mutual agreement, agrees to extend the applicable period for the expiration of that approval.

(Added to NAC by Com. on Local Gov't Finance by R006-12, eff. 12-20-2012)

PREPARATION OF BUDGETS

NAC 354.100 Budget forms. ([NRS 354.107](#), [354.594](#), [354.596](#), [354.598](#), [354.600](#)) A local government shall use

the budget forms provided by the Department and complete the forms as prescribed in:

1. [NAC 354.100](#) to [354.160](#), inclusive; and
2. The instructions provided by the Department.

[Tax Comm'n, Local Gov't Reg. No. 21 § 1, eff. 1-24-78] — (A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

NAC 354.140 Tentative budget: Submission of letter of certification. ([NRS 354.107](#), [354.594](#), [354.596](#))

1. Except as otherwise provided in subsection 2, a tentative budget submitted to the Department must be accompanied by a letter of certification signed by the governing body or the officer charged by law with preparing the budget.

2. If the tentative budget is submitted electronically as part of a fiscal report pursuant to [NAC 354.559](#), the letter of certification must be submitted separately on paper to the Department.

[Tax Comm'n, Local Gov't Reg. No. 21 § 9, eff. 1-24-78; A 12-20-79] — (NAC A 1-10-84; A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

NAC 354.150 Adoption of tentative budget as filed: Submission of additional documents. ([NRS 354.107](#), [354.594](#), [354.598](#))

1. If its tentative budget as filed is adopted as a final budget, a local government shall submit to the Department:

- (a) A cover letter stating that fact; and
- (b) A new letter of certification signed by the governing body.

2. If the tentative budget is submitted electronically as part of a fiscal report pursuant to [NAC 354.559](#), the documents set forth in subsection 1 must be submitted separately on paper to the Department.

[Tax Comm'n, Local Gov't Reg. No. 21 § 11, eff. 1-24-78] — (A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

NAC 354.155 Submission of notice of information. ([NRS 354.107](#), [354.594](#)) The officer charged by law with preparing the budget for his or her respective county shall submit to the Department a copy of the notice of information prepared and caused to be published by the ex officio tax receiver pursuant to [NRS 361.4545](#).

(Added to NAC by Tax Comm'n, eff. 5-16-86; A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

NAC 354.160 Substantial change in budget: Submission of affected fund schedules. ([NRS 354.107](#), [354.594](#)) If as a result of negotiations or a fact-finder's report, a substantial change to the budget of a local government becomes necessary, the local government shall submit to the Department, within 30 days after receiving the report, those fund schedules affected consistent with the budgetary requirements of the report.

[Tax Comm'n, Local Gov't Reg. No. 21 § 12, eff. 1-24-78; A 12-20-79] — (A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

LIMITATIONS ON FEES

NAC 354.185 Application to exceed allowable increase in revenue from fees for business licenses or allowable increase in building permit basis. ([NRS 354.107](#), [354.594](#), [354.5989](#), [354.59891](#)) If a local government submits an application to the Nevada Tax Commission to increase the revenue of the local government from fees for business licenses in excess of the amount allowable pursuant to [NRS 354.5989](#) or to increase the building permit basis of the local government by an amount greater than otherwise allowable pursuant to subsection 2 of [NRS 354.59891](#), the application must be accompanied by:

1. A copy of the proposed ordinance or resolution of the local government that would increase the fee for a business license or building permit basis;

2. A copy of a business impact statement prepared pursuant to [NRS 237.090](#) or other evidence of compliance with [NRS 237.090](#), if applicable;

3. Excerpts from the minutes of a public hearing at which the proposed increase was discussed, which must include, without limitation, an indication of the intent of the governing body of the local government to limit the increase in the fee for a business license or building permit basis to a specified maximum amount and any comments made at the hearing by a member of the governing body or the public;

4. A study or survey which sets forth the fees for business licenses or the building permit bases, as appropriate, of other local governments in this State; and

5. Any other supporting data which the governing body of the local government believes is pertinent to the consideration of the application.

(Added to NAC by Com. on Local Gov't Finance by R031-05, eff. 2-23-2006)

TAXES AD VALOREM

NAC 354.211 Submission to Department of resolution levying common rate for common services in unincorporated towns. ([NRS 354.107](#), [354.594](#)) The board of county commissioners shall submit to the Department a copy of any resolution which levies a common rate of taxes ad valorem for common services provided in unincorporated towns.

(Added to NAC by Tax Comm'n, eff. 5-16-86)

NAC 354.221 Submission of amended final budget which changes combined rate. ([NRS 354.107](#), [354.594](#), [354.598](#)) In addition to the requirements set forth in subsection 6 of [NRS 354.598](#), a local government shall submit an amended final budget to:

1. The county auditor within 15 days after making any change in its final budget which decreases the combined ad valorem tax rate; and

2. The county clerk within 15 days after making any change in its final budget which increases or decreases the combined ad valorem tax rate.

(Added to NAC by Com. on Local Gov't Finance by R201-01, eff. 4-5-2002)

CREATION OF FUNDS

NAC 354.241 Contents and filing of resolution adopted to create certain funds. ([NRS 354.612](#), [360.090](#)) A resolution adopted by a local government to create a fund of a type which is listed in paragraph (a) of subsection 5 of [NRS 354.624](#), must be filed with the Department immediately upon adoption and must contain:

1. A statement of the purpose of the fund.

2. The sources of the money that is expected to be deposited in the fund.

3. A short-term and long-term plan for the expenditures from the fund.

4. A plan for the retention or disposition of the balance, reserves and retained earnings of the fund.

5. A mechanism for curing deficiencies in the balance, reserves and retained earnings of the fund.

6. The method by which a determination will be made as to whether the balance, reserve and retained earnings of the fund are reasonable and necessary to carry out the purpose of the fund.

7. A list of all statutes and regulations that apply to the fund.

(Added to NAC by Tax Comm'n, eff. 7-9-96)

LETTER OF CREDIT; ADVANCE APPORTIONMENT OF TAX

NAC 354.270 Letter of credit issued to local government. ([NRS 360.090](#))

1. As used in this section, "letter of credit" means an authorization from a county treasurer to a county auditor to honor warrants of a local government prior to the distribution of tax receipts to the account of the local government.

2. A letter of credit may be issued on behalf of an entity at the option of the county treasurer if the following conditions are met:

(a) The letter of credit must be requested of the county treasurer by the governing body.

(b) A letter of credit cannot be issued to cover more than 75 percent of the undistributed tax receipts on hand in the county treasury to be distributed to the entity.

(c) The county treasurer shall make a distribution of taxes to cover any outstanding letters of credit prior to the end of each fiscal year.

[Tax Comm'n, Local Gov't Reg. part No. 2, eff. 11-7-69]

NAC 354.280 Advance of taxes apportioned to local government. ([NRS 360.090](#))

1. Any entity entitled to an apportionment of taxes may request of the county treasurer an advance tax apportionment if the following procedures are met:

(a) An advance apportionment must be requested of the county treasurer by the governing body.

(b) An advance apportionment cannot be made in excess of 75 percent of the undistributed tax receipts on hand in the county treasury to be distributed to the entity.

(c) The county treasurer shall make an apportionment of taxes to cover any outstanding special apportionment prior to the end of each fiscal year.

2. Such an apportionment may be made at the option of the county treasurer.

[Tax Comm'n, Local Gov't Reg. part No. 2, eff. 11-7-69]

INTERFUND LOANS

NAC 354.290 Temporary interfund loans: Conditions; interest. ([NRS 354.107](#), [354.6118](#))

1. Unless otherwise prohibited by law, the governing body of a local government may make a temporary interfund loan if:

(a) The governing body complies with the provisions of [NRS 354.6118](#);

(b) Any money for the loan which is obtained from the proceeds from the sale of a bond is used only for the purposes set forth in the bond ordinances;

(c) The loan is not made from any debt service fund or from any fund established or maintained as a fund dedicated to the payment of bonded debt and interest;

(d) The resolution authorizing the loan specifies whether interest will be charged and the rate thereof, if any;

(e) It is agreed in writing that the loan must be repaid within 1 year after the date on which the loan was made;

(f) A copy of the resolution authorizing the loan is filed with the Department; and

(g) The governing body agrees to notify the Department when the loan has been repaid.

2. If the resolution authorizing the making of a temporary interfund loan does not specify whether interest will be charged as required pursuant to paragraph (d) of subsection 1, no interest may be charged.

3. As used in this section:

(a) "Component unit" means a separate legal entity from a local government whose financial statements must be included in the annual audit of that local government conducted pursuant to [NRS 354.624](#).

(b) "Temporary interfund loan" means a loan of money for a term of less than 1 year from a fund to meet an immediate obligation of another fund in advance of receipt by the borrowing fund of sufficient revenues from regular sources, including such a loan from a fund of:

(1) A local government to:

(I) Another fund of that local government;

(II) A fund of a component unit of that local government;

(III) A fund of another local government; or

(IV) A fund of a component unit of another local government; and

(2) A component unit of a local government to:

(I) Another fund of that component unit;

(II) A fund of another component unit of that local government;

(III) A fund of that local government or of another local government; or

(IV) A fund of a component unit of another local government.

(Added to NAC by Com. on Local Gov't Finance by R135-10, eff. 12-16-2010)

TRANSFER OF MONEY BETWEEN ACCOUNTS

NAC 354.350 Transfer of certain unclaimed money. ([NRS 354.107](#), [354.150](#))

1. Entities that have unclaimed money held for a period of 1 year in accordance with [NRS 120A.200](#) may transfer the money from the debt service fund to any other fund including, if not prohibited by statute, the general fund. The transfer must be in accordance with subparagraph (1) of paragraph (c) of subsection 5 of [NRS 354.598005](#). Counties shall comply with [chapter 150](#) of NRS for the transfer of dormant funds.

2. This action does not negate consideration of a claim filed pursuant to [chapter 11](#) of NRS.

[Tax Comm'n, Local Gov't Reg. No. 6, eff. 8-23-69; A 12-20-79] — (A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

NAC 354.360 Transfer of budget appropriations between accounts; transfer of money from certain funds. ([NRS 354.107](#), [354.594](#), [354.598005](#), [354.6115](#))

1. All the procedures authorized by [NRS 354.598005](#) for the transfer of budget appropriations between accounts must be completed before June 30 of the affected fiscal year.

2. Any transfer of money from a fund established pursuant to [NRS 354.6115](#) must be completed within 60 days after June 30 of the affected fiscal year.

(Added to NAC by Tax Comm'n, eff. 10-26-84; A by R027-99, 1-27-2000; A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

BUDGET AUGMENTATION

NAC 354.400 Purpose. ([NRS 354.107](#), [354.594](#), [354.598005](#)) The purpose of [NAC 354.400](#) to [354.490](#), inclusive, is to define available resources and to specify filing requirements for budget augmentation for governmental funds.

[Tax Comm'n, Local Gov't Reg. part No. 10, eff. 1-13-72; A 11-10-72; 11-8-74; 2-7-76; 12-20-79; 1-14-82] — (A by Com. on Local Gov't Finance by R201-01, 4-5-2002; R033-03, 12-16-2003)

NAC 354.410 Available resources. ([NRS 354.107](#), [354.594](#), [354.598005](#))

1. An unappropriated ending balance of any governmental fund, except a fund for capital projects, is not an available resource. Available resources are:

(a) An opening balance which is larger than anticipated;

(b) Revenues in excess of those budgeted;

- (c) Revenues generated from previously unbudgeted sources; or
- (d) An unappropriated ending balance of a fund for capital projects.

2. The difference between the total of the original budgeted resources and the total of the revised resources is the amount available for budget augmentation.

[Tax Comm'n, Local Gov't Reg. part No. 10, eff. 1-13-72; A 2-7-76; 1-14-82] — (NAC A 8-2-90; A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

NAC 354.420 Revised revenue schedule. ([NRS 354.107](#), [354.594](#), [354.598005](#)) When augmenting a budget, local governments must prepare a revised revenue schedule for each affected fund and submit it, with the appropriate resolution, to the Department.

[Tax Comm'n, Local Gov't Reg. part No. 10, eff. 1-13-72; 11-8-74; 2-7-76; 1-14-82]

NAC 354.430 Notice of hearing. ([NRS 354.107](#), [354.594](#), [354.598005](#)) The published notice required by [NRS 354.598005](#) must include the time and place of the hearing, the appropriations to be augmented and the nature of the unanticipated resources.

[Tax Comm'n, Local Gov't Reg. part No. 10, eff. 11-8-74; A 1-14-82] — (NAC A 9-5-89; A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

NAC 354.440 Vote by proxy. ([NRS 354.107](#), [354.594](#), [354.598005](#))

1. A member of the governing body, anticipating his or her absence on a date of formal action on a resolution authorizing augmentation, may vote by written proxy if the proxy:

- (a) Indicates the subject matter of the resolution to which the vote applies; and
- (b) Is filed with the governing body before the resolution is considered.

2. A copy of the proxy must be forwarded to the Department with the record of the vote on the resolution.

[Tax Comm'n, Local Gov't Reg. part No. 10, eff. 11-8-74; A 2-7-76; 1-14-82]

NAC 354.450 Deadline. ([NRS 354.107](#), [354.594](#), [354.598005](#)) The procedure for augmentation must be completed before June 30 of the affected fiscal year.

[Tax Comm'n, Local Gov't Reg. part No. 10, eff. 1-13-72; A 11-8-74; 1-14-82]

NAC 354.481 Expenses in excess of original budget appropriation. ([NRS 354.107](#), [354.594](#), [354.598005](#)) 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.

(Added to NAC by Com. on Local Gov't Finance by R033-03, eff. 12-16-2003)

NAC 354.490 Report of augmented budget. ([NRS 354.107](#), [354.594](#), [354.598005](#)) A local government is not required to file an augmented budget for an enterprise or internal service fund with the Department but shall report the budget augmentation in the next response submitted to the Department to the quarterly survey prescribed by the Committee concerning the economic conditions affecting the local government.

[Tax Comm'n, Local Gov't Reg. part No. 4, eff. 8-29-68; A 10-9-71; 11-8-74; 2-7-76] — (NAC A 1-10-84; A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

FISCAL REPORTS

NAC 354.555 Fulfillment of requirements of submitting tentative budget and transmitting final budget. ([NRS 354.107](#), [354.594](#), [354.596](#), [354.598](#)) If the governing body of a local government submits a fiscal report of the local government to the Department pursuant to [NRS 354.6015](#) and [NAC 354.557](#) and [354.559](#), the local government shall be deemed to have fulfilled the requirement of:

- 1. Submitting a tentative budget to the Department pursuant to [NRS 354.596](#); and
- 2. Transmitting a final budget to the Nevada Tax Commission pursuant to [NRS 354.598](#).

(Added to NAC by Com. on Local Gov't Finance by R201-01, 4-5-2002, eff. 7-1-2002)

NAC 354.557 Submission in electronic format; petition for exemption; submission in alternative format. ([NRS 354.107](#), [354.594](#), [354.6015](#))

1. Except as otherwise provided in subsections 7 and 8, the governing body of each local government required to submit electronically a fiscal report of the local government to the Department pursuant to [NRS 354.6015](#) shall complete and submit each portion of the fiscal report:

- (a) On a form prescribed by the Department;
- (b) In accordance with the instructions provided by the Department; and

(c) On or before the applicable date and time as set forth in [NAC 354.559](#).

2. A local government that does not have the current ability to submit a fiscal report of the local government to the Department in an electronic format may petition the Committee for an exemption from the requirement of submitting the fiscal report in that format. The petition must:

- (a) Be in the form of an ordinance or resolution adopted by the governing body of the local government;
- (b) Be filed with the Department on or before January 1 of the fiscal year for which the exemption is requested; and
- (c) Include:

(1) A statement of the reason that the local government is unable to submit the fiscal report to the Department in an electronic format;

(2) An estimate of the cost that the local government would incur to comply with the requirement of electronically submitting the fiscal report to the Department;

(3) The annual revenue of the local government; and

(4) Any other evidence of the financial inability of the local government to comply with the requirement of electronically submitting the fiscal report to the Department.

3. The Department shall forward each petition filed with the Department pursuant to subsection 2 to the Committee within 30 days after receiving the petition. The Committee will consider each petition at the next regularly scheduled meeting of the Committee after receipt of the petition.

4. In determining whether to grant a petition, the Committee will consider:

(a) Whether the annual revenue of the local government is not more than \$50,000;

(b) Any other evidence set forth in the petition of the financial inability of the local government to comply with the requirement of electronically submitting the fiscal report to the Department; and

(c) Whether the local government has the technological capability to comply with the requirement of electronically submitting the fiscal report to the Department.

5. The Committee will provide notice of its decision concerning the petition within 30 days after the meeting at which the petition was considered to:

(a) The local government; and

(b) If the Committee grants the petition, the Department.

6. The notice provided to the local government pursuant to subsection 5 must include the reasons for the decision of the Committee.

7. If the Committee grants a petition filed with the Department pursuant to subsection 2, the governing body of the local government that filed the petition shall submit the fiscal report of the local government to the Department in a format determined by the Department.

8. If the governing body of the local government is unable to submit electronically the fiscal report of the local government to the Department because of a technological problem with the website of the Department, the local government shall:

(a) Notify the Department of the problem; and

(b) Submit the fiscal report to the Department in a format determined by the Department.

(Added to NAC by Com. on Local Gov't Finance by R201-01, 4-5-2002, eff. 7-1-2002)

NAC 354.559 Contents and form; deadlines for submission; forwarding of final budget. ([NRS 354.107](#), [354.594](#), [354.6015](#))

1. The fiscal report that the governing body of a local government is required to submit electronically to the Department pursuant to [NRS 354.6015](#):

(a) Includes the information listed in paragraph (b) of subsection 2 of [NRS 354.6015](#);

(b) Must be submitted to the Department in the form of the documentation set forth in subsection 2; and

(c) Must be submitted to the Department on or before the dates and times set forth in subsection 2.

2. The fiscal report described in subsection 1 consists of the following documentation:

(a) Except for a local government that has been exempted from the requirement of filing its tentative budget pursuant to the provisions of [NRS 354.475](#) and [NAC 354.010](#) to [354.040](#), inclusive, the tentative budget that is required to be submitted to the Department pursuant to [NRS 354.596](#). The tentative budget must be submitted to the Department on or before 5 p.m. on April 15 of each year.

(b) A copy of the final budget that is required to be submitted to the Nevada Tax Commission pursuant to [NRS 354.598](#). Except as otherwise provided in this paragraph, the copy of the final budget must be submitted to the Department on or before 5 p.m. on June 1 of each year. The copy of the final budget of:

(1) A school district must be submitted to the Department on or before 5 p.m. on June 8 of each year; and

(2) A local government that has been exempted from the requirement of filing its tentative budget pursuant to the provisions of [NRS 354.475](#) and [NAC 354.010](#) to [354.040](#), inclusive, must be submitted to the Department on or before 5 p.m. on April 15 of each year.

(c) If the local government is augmenting a budget pursuant to [NRS 354.598005](#), the information concerning the budget augmentation that the governing body of the local government is authorized to file with the Department pursuant

to that section. That information must be submitted to the Department within 30 days after the adjournment of the legislative session if the governing body files the information as authorized pursuant to subsection 6 or 7 of [NRS 354.598005](#).

(d) The responses of the local government to the quarterly survey prescribed by the Committee concerning the economic conditions affecting the local government. The responses must be submitted to the Department not later than 45 days after the end of each quarter of a fiscal year.

(e) Except for a local government that has been exempted from the requirement of filing its audit reports pursuant to the provisions of [NRS 354.475](#) and [NAC 354.010](#) to [354.040](#), inclusive, the actual revenue and the actual expenditures for the fiscal year immediately preceding the fiscal year in which the information is submitted. The information relating to the actual revenue and actual expenditures must be submitted to the Department on or before January 1 of each year.

(f) If the local government has been exempted from the requirement of filing its audit reports pursuant to the provisions of [NRS 354.475](#) and [NAC 354.010](#) to [354.040](#), inclusive, the statement of revenues, expenditures and changes in fund balance that is required to be submitted to the Department pursuant to [NAC 354.040](#). The statement must be submitted to the Department on or before January 1 of each year.

3. For the purpose of submitting the information required to be included in the fiscal report pursuant to paragraph (a), (b) or (e) of subsection 2, the governing body of a local government shall report information relating to:

(a) A special revenue fund, capital project fund or debt service fund of the local government separately from information relating to any other special revenue fund, capital project fund or debt service fund of the local government if any of the revenue in the special revenue fund, capital project fund or debt service fund was received from property taxes or the Local Government Tax Distribution Account;

(b) The expenditures or expenses of the local government by the governmental function to which the expenditure or expense was charged for the general fund of the local government and for each special revenue fund, capital project fund, debt service fund and proprietary fund of the local government;

(c) The total expenditures or expenses of the local government charged against each fund listed in the fiscal report in at least the following categories:

- (1) Salaries and wages;
- (2) Benefits;
- (3) Services and supplies; and
- (4) Capital outlay; and

(d) Revenue in categories, including, without limitation, property taxes, other taxes, business licenses, other licenses and permits, Local Government Tax Distribution Account, intergovernmental resources, charges for services, and fines and forfeitures.

4. Upon receipt of a final budget, the Department shall forward a copy of the final budget to the Nevada Tax Commission.

(Added to NAC by Com. on Local Gov't Finance by R201-01, 4-5-2002, eff. 7-1-2002)

NAC 354.561 Summary of report: Publication and contents. ([NRS 354.107](#), [354.594](#), [354.6015](#))

1. The summary of the fiscal report that the governing body of a local government is required to publish pursuant to [NRS 354.6015](#) must be published before July 1 of each year in the manner required pursuant to that section.

2. The summary of the fiscal report must include:

(a) The following information relating to the general fund of the local government:

(1) The total actual revenue and the total actual expenditures for the fiscal year immediately preceding the date on which the report is published;

(2) The total anticipated revenue and the total expenditures for the current fiscal year; and

(3) The total revenue and the total expenditures budgeted for the ensuing fiscal year; and

(b) The following information relating to any proprietary fund of the local government:

(1) The operating revenue and the operating expenses for the fiscal year immediately preceding the date on which the report is published;

(2) The anticipated revenue, other than operating revenue, and the expenses, other than operating expenses, for the current fiscal year;

(3) The operating revenue and the operating expenses budgeted for the ensuing fiscal year; and

(4) Any revenue, other than operating revenue, and any expenses, other than operating expenses, budgeted for the ensuing fiscal year.

3. The governing body of the local government may include information relating to any other fund of the local government in the summary of the fiscal report.

(Added to NAC by Com. on Local Gov't Finance by R201-01, 4-5-2002, eff. 7-1-2002)

REPORTS REGARDING RECEIPT AND DISTRIBUTION OF PROPERTY TAXES

NAC 354.566 Definitions. ([NRS 354.107](#), [354.594](#)) As used in [NAC 354.566](#) to [354.577](#), inclusive, unless the context otherwise requires, the words and terms defined in [NAC 354.567](#) and [354.569](#) have the meanings ascribed to

them in those sections.

(Added to NAC by Com. on Local Gov't Finance by R117-09, eff. 6-30-2010)

NAC 354.567 “Central assessment roll” defined. ([NRS 354.107](#), [354.594](#)) “Central assessment roll” means the central assessment roll described in [NRS 361.3205](#).

(Added to NAC by Com. on Local Gov't Finance by R117-09, eff. 6-30-2010)

NAC 354.569 “Property tax receipts” defined. ([NRS 354.107](#), [354.594](#)) “Property tax receipts” means receipts from ad valorem property taxes, including, without limitation, any receipts from:

1. Taxes on real and personal property which are paid pursuant to [NRS 361.483](#);
2. Deferred taxes on real property previously held for agricultural or open-space use which are assessed pursuant to [NRS 361A.280](#);
3. Taxes on any property that is not on the secured tax roll which are assessed pursuant to [NRS 361.505](#), [361.767](#), [361.769](#) or [361.770](#);

4. Taxes on any property that is valued by the Nevada Tax Commission pursuant to [NRS 361.320](#) which are collected pursuant to [NRS 361.3205](#); and

5. Taxes on the net proceeds of minerals which are appropriated to a county pursuant to [NRS 362.170](#),
 ✪ except that the term does not include any franchise fees, payments for oil or gas leases, fees for hunting or fishing, or payments by the Federal Government in lieu of taxes.

(Added to NAC by Com. on Local Gov't Finance by R117-09, eff. 6-30-2010)

NAC 354.571 Preliminary summary reports: Filing by tax receiver in each county. ([NRS 354.107](#), [354.594](#)) On or before August 1 of each fiscal year, the tax receiver of each county shall file with the Department, the Department of Education and the county school district a preliminary summary report of the total amount of property tax receipts for the immediately preceding fiscal year that were received by the county before July 1 of the current fiscal year. Except as otherwise provided in [NAC 354.577](#), the report must not duplicate any amounts previously reported pursuant to [NAC 354.566](#) to [354.577](#), inclusive, during the immediately preceding fiscal year.

(Added to NAC by Com. on Local Gov't Finance by R117-09, eff. 6-30-2010)

NAC 354.573 Preliminary summary reports: Contents. ([NRS 354.107](#), [354.594](#)) The preliminary summary report required by [NAC 354.571](#) must include:

1. The total amount of the property tax receipts of the county classified by type, including:
 - (a) The total amount of taxes collected for the immediately preceding fiscal year attributable to property on the secured tax roll;
 - (b) The total amount of taxes collected for the immediately preceding fiscal year attributable to property on the unsecured tax roll;
 - (c) The total amount of taxes collected for the immediately preceding fiscal year attributable to property on the central assessment roll;
 - (d) The total amount of taxes on the net proceeds of minerals collected for the immediately preceding calendar year which was distributed to the county pursuant to [NRS 362.170](#);
 - (e) The total amount of taxes on the net proceeds of minerals collected for the current calendar year which was distributed to the county pursuant to [NRS 362.170](#);
 - (f) The total amount collected for delinquent taxes attributable to all the fiscal years ending on or before June 30, 2005;
 - (g) The total amount collected for delinquent taxes attributable to all the fiscal years beginning on or after July 1, 2005, and before the commencement of the current fiscal year;
 - (h) The total of all the amounts described in paragraphs (a) to (g), inclusive;
 - (i) The total amount of the pertinent commission paid into the county treasury pursuant to [NRS 361.530](#); and
 - (j) The result obtained by subtracting the sum described in paragraph (i) from the sum described in paragraph (h).
2. The portions of the property tax receipts of the county distributed for the operation of public schools, using a tax rate of 75 cents on each \$100 of assessed valuation of taxable property, including:
 - (a) The portion of the total amount of taxes collected for the immediately preceding fiscal year attributable to property on the secured tax roll which was distributed to the county school district;
 - (b) The portion of the total amount of taxes collected for the immediately preceding fiscal year attributable to property on the unsecured tax roll which was distributed to the county school district;
 - (c) The portion of the total amount of taxes collected for the immediately preceding fiscal year attributable to property on the central assessment roll which was distributed to the county school district;
 - (d) The portion of the total amount of taxes on the net proceeds of minerals distributed to the county during the immediately preceding fiscal year pursuant to [NRS 362.170](#) which is available to the county school district for use in the current fiscal year pursuant to subsection 2 of [NRS 387.195](#);

(e) The portion of the total amount of taxes on the net proceeds of minerals collected for the immediately preceding calendar year which was distributed to the county pursuant to [NRS 362.170](#) and subsequently distributed to the county school district;

(f) The portion of the total amount of taxes on the net proceeds of minerals collected for the current calendar year which was distributed to the county pursuant to [NRS 362.170](#) and subsequently distributed to the county school district;

(g) The portion of the total amount collected for delinquent taxes attributable to all the fiscal years ending on or before June 30, 2005, which was distributed to the county school district;

(h) The portion of the total amount collected for delinquent taxes attributable to all the fiscal years beginning on or after July 1, 2005, and before the commencement of the current fiscal year which was distributed to the county school district;

(i) The total of all the amounts described in paragraphs (a) to (h), inclusive;

(j) The total amount of the pertinent commission paid into the county treasury pursuant to [NRS 361.530](#); and

(k) The result obtained by subtracting the sum described in paragraph (j) from the sum described in paragraph (i).

(Added to NAC by Com. on Local Gov't Finance by R117-09, eff. 6-30-2010)

NAC 354.575 Report by county school district of corresponding receipts and deductions; reconciliation of differences between reports. ([NRS 354.107](#), [354.594](#))

1. On or before August 10 of each fiscal year, a county school district shall provide to the Department, the Department of Education and the tax receiver of the county a report of all the receipts and deductions of the county school district for the immediately preceding fiscal year which pertain to the amounts included in the preliminary summary report filed pursuant to [NAC 354.571](#). If the total amounts reported by the county school district pursuant to this subsection differ from the corresponding amounts included in the preliminary summary report by more than 3 percent in any category, representatives of the school district and the tax receiver must jointly determine the reasons for that difference.

2. On or before August 15 of each fiscal year, the tax receiver of each county shall:

(a) Make any adjustments necessary to reconcile the amounts contained in the preliminary summary report filed pursuant to [NAC 354.571](#) for the immediately preceding fiscal year with the amounts contained in the report filed by the county school district pursuant to subsection 1;

(b) Include in the preliminary summary report an explanation of the reasons for any differences of greater than 3 percent determined pursuant to subsection 1; and

(c) Submit a copy of the preliminary summary report, as revised pursuant to this subsection, to the Department, the Department of Education and the county school district.

(Added to NAC by Com. on Local Gov't Finance by R117-09, eff. 6-30-2010)

NAC 354.577 Final summary reports: Filing by tax receiver in each county; contents. ([NRS 354.107](#), [354.594](#))

1. On or before September 10 of each fiscal year, the tax receiver of each county shall file with the Department, the Department of Education and the county school district a final summary report of the total amount of property tax receipts for the immediately preceding fiscal year that were received by the county. The final summary report must include the information described in [NAC 354.573](#) and the total amount of any property tax receipts for the immediately preceding fiscal year that were received by the county during July and August of the current fiscal year.

2. The amounts reported pursuant to this section must not be duplicated in any preliminary summary report filed pursuant to [NAC 354.571](#) during any subsequent fiscal year, except that the total amount of any property tax receipts for the immediately preceding fiscal year that were received by the county during July and August of the current fiscal year must be included in and accounted for in the preliminary summary report filed during the next fiscal year.

(Added to NAC by Com. on Local Gov't Finance by R117-09, eff. 6-30-2010)

REPORTS OF EXPENDITURES FOR LOBBYING ACTIVITIES

NAC 354.581 Interpretation of certain statutory terms. ([NRS 354.107](#), [354.594](#), [354.59803](#)) As used in [NRS 354.59803](#), the Committee interprets:

1. "Expend more than \$6,000" to include only those expenditures that are incurred by the local government in preparation for or during the legislative session.

2. "Salary or wages paid to its officers and employees" to include only that portion of the salary or wages paid to those officers and employees for time actually spent on activities designed to influence the passage or defeat of any legislation.

(Added to NAC by Com. on Local Gov't Finance by R201-01, eff. 4-5-2002)

NAC 354.585 Form of report. ([NRS 354.107](#), [354.594](#), [354.59803](#)) A local government that is required to file a report with the Department pursuant to [NRS 354.59803](#) shall file the report on a form prescribed by the Department for that purpose.

(Added to NAC by Com. on Local Gov't Finance by R201-01, eff. 4-5-2002)

COUNTIES: STATEMENT OF TOTAL AMOUNT OF BILLS ALLOWED

NAC 354.595 Posting and maintenance on website of statements of amount of bills allowed. ([NRS 354.107, 354.210](#))

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.

(Added to NAC by Com. on Local Gov't Finance by R005-12, eff. 12-20-2012)

UNAPPROPRIATED ENDING FUND BALANCE

NAC 354.650 Explanation by local government; reduction of debt rate. ([NRS 354.107, 360.090](#))

1. If the ending fund balance in the general fund of a local government has been budgeted for less than 4 percent of the actual expenditures from the general fund of the local government for the previous fiscal year, the local government shall provide a written explanation to the Department that includes the reason for the low ending fund balance and the manner in which the local government plans to increase the fund balance.

2. If that portion of an ending fund balance in a debt service fund of a local government which is attributable to revenue from property taxes exceeds the principal and interest payable from that portion of the fund for the ensuing year, the local government shall provide a written explanation to the Department that includes the reason and any authority for the excess.

3. Except as otherwise provided in subsections 5 and 6, if the Department finds that there is no authority for the excess, the Department shall require the local government to reduce the debt rate.

4. A local government may propose to the Department a plan to reduce the debt rate over a period not to exceed 3 years. The Department may consider the plan and require the local government to reduce the debt rate in phases.

5. The Department shall exempt a local government from the requirement to reduce the debt rate pursuant to subsection 3 if the local government demonstrates to the satisfaction of the Department that:

(a) The debt rate is levied pursuant to subsection 4 of [NRS 350.020](#); or

(b) A reduction in the debt rate would decrease the balance in the debt service fund to an amount less than the amount required for the reserve account pursuant to subsection 5 of [NRS 350.020](#) for any fiscal year during which a bond issued pursuant to subsection 4 of [NRS 350.020](#) is outstanding and would reduce the debt rate below the rate approved for that bond.

6. The Department may exempt for a period determined pursuant to subsection 7 a local government from the requirement to reduce the debt rate pursuant to subsection 3 if the local government demonstrates to the satisfaction of the Department:

(a) That at least one of the following conditions exist:

(1) The estimated annual revenues from property taxes are not sufficient to pay the scheduled principal and interest of current outstanding and proposed bonds;

(2) Projects to be financed by bonds are delayed for a reasonable cause; or

(3) A temporary increase in assessed values of taxable property within the boundaries of the local government caused an increase in revenues from property taxes; and

(b) A need exists to issue bonds during the subsequent 3 years which:

(1) Would be used to finance projects included in the 5-year capital improvement plan and debt management policy of the local government; and

(2) Would result in that portion of the ending fund balance in a debt service fund that is attributable to revenues from property taxes being at a level that would not require the local government to provide a written explanation to the Department pursuant to subsection 2.

7. The Department may exempt a local government pursuant to subsection 6:

(a) Only for the period during which the local government has voter authorization for the debt; and

(b) For a period specified by the Department which does not exceed 3 years.

[Tax Comm'n, Local Gov't Reg. part No. 13, eff. 1-11-73; A 2-29-80] — (NAC A 1-10-84; 8-2-90; A by Com. on Local Gov't Finance by R201-01, 4-5-2002; R028-08, 9-18-2008)

NAC 354.660 Certain percentage of ending fund balance not subject to negotiations. ([NRS 354.107](#))

1. Except as otherwise provided in this section, for the purposes of [chapter 288](#) of NRS, a budgeted ending fund balance of not more than 25 percent of the total budgeted expenditures, less capital outlay, for a general fund:

(a) Is not subject to negotiations with an employee organization; and

(b) Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits.

2. A budgeted ending fund balance of not more than 8.3 percent of the total budgeted expenditures, less capital outlay, for a school district general fund or a local government special revenue fund which receives revenue from property taxes or the Local Government Tax Distribution Account:

(a) Is not subject to negotiations with other local governments or employee organizations; and

(b) Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits.

[Tax Comm'n, Local Gov't Reg. part No. 13, eff. 1-11-73; A 2-29-80] — (NAC A 1-10-84; A by Com. on Local Gov't Finance by R201-01, 4-5-2002; R053-16, 9-21-2017)

AUDITS

NAC 354.700 Audit required after first year of operation. ([NRS 354.107](#), [354.594](#), [354.624](#)) Every newly created entity must file an independent audit report at the end of its first full fiscal year of operation; thereafter it may petition for an exemption under [NAC 354.010](#) to [354.040](#), inclusive.

[Tax Comm'n, Local Gov't Reg. No. 14 § 5, eff. 9-7-73]

NAC 354.712 Adoption by reference of Government Auditing Standards; “generally accepted auditing standards in the United States” interpreted. ([NRS 354.107](#), [354.594](#), [354.624](#))

1. For the purposes of [NRS 354.624](#), the Committee interprets the phrase “generally accepted auditing standards in the United States” to mean the *Government Auditing Standards* adopted by reference pursuant to subsection 2. Each annual audit required pursuant to [NRS 354.624](#) must be conducted, and any audit report, report on internal accounting control or other report issued by the auditor relating to that audit must be prepared in accordance with the *Government Auditing Standards*.

2. The Committee hereby adopts by reference the *Government Auditing Standards*, July 2007 Revision, and any subsequent revision to the *Standards* issued by the Comptroller General of the United States that has been approved by the Committee for use in this State. Each revision of the *Standards* shall be deemed approved by the Committee unless the Committee files an objection to the revision with the Office of the Secretary of State within 60 days after the date of publication of the revision. The *Standards* may be obtained from the Superintendent of Documents, United States Government Printing Office, P. O. Box 979050, St. Louis, Missouri 63197-9000, for \$12.50 or at no cost on the Internet at <http://www.gao.gov/govaud/ybk01.htm>.

(Added to NAC by Com. on Local Gov't Finance by R211-08, eff. 12-17-2008)

NAC 354.715 Contents of audit report: Opinions required; fairness statement; reference to certain separate reports; statement of corrective action. ([NRS 354.107](#), [354.594](#), [354.624](#), [360.090](#))

1. If the auditor has been engaged to examine only the combined financial statements, the audit report must also present combining, individual fund and account group financial statements for all funds and account groups maintained by the local government. The auditor's report must, in addition to expressing an opinion on the combined financial statements, state whether the combining, individual fund and account group financial statements, and supporting schedules are stated fairly in all material respects in relation to the combined financial statements taken as a whole.

2. A report on internal accounting control may be included as a part of the audit report or filed separately. If the report on internal accounting control is to be filed separately, the audit report must include a reference that such a

separate report has been filed or will be filed as a public record pursuant to [NRS 354.624](#).

3. The statement which [NRS 354.624](#) requires concerning previously noted deficiencies and recommendations must include, for each previously noted violation of statute or regulation, a statement whether corrective action has been taken to prevent any recurrence, and if so, what progress has been achieved.

(Added to NAC by Tax Comm'n, eff. 10-10-83; A by Com. on Local Gov't Finance by R211-08, 12-17-2008)

NAC 354.717 Contents of audit report: Statement of total number of referrals to regional facility for detention of children. ([NRS 354.594](#), [354.624](#))

1. The report of the annual audit required pursuant to [NRS 354.624](#) of a county or an administrative entity established pursuant to [NRS 277.080](#) to [277.180](#), inclusive, that operates a regional facility for children must include the total number of children referred to the facility from each participating county served by the facility in the year to which the audit applies.

2. As used in this section, "regional facility for children" has the meaning ascribed to "regional facility for the detention of children" in [NRS 62A.280](#).

(Added to NAC by Tax Comm'n by R004-00, eff. 3-2-2001)

NAC 354.719 Contents of audit report: Discussion and analysis of financial condition; exemption from requirement to submit plan of corrective action; appeals. ([NRS 354.107](#), [354.594](#), [354.624](#))

1. Except as otherwise provided in this section, in providing for an annual audit of all its financial statements as required pursuant to [NRS 354.624](#), a local government shall include a discussion and analysis of:

(a) The financial activities and financial position of the local government, including, without limitation, the reasons for any variations in the financial activities and financial position of the local government from the financial assets and financial position of the local government during the immediately preceding fiscal year;

(b) The condition of the capital assets of the local government; and

(c) Any currently known facts, decisions or conditions that are expected to affect the financial condition of the local government.

2. The Department may allow a local government to omit the discussion and analysis described in subsection 1 from the annual audit of all its financial statements as required pursuant to [NRS 354.624](#) if the local government:

(a) Reasonably anticipates that its actual annual expenditures for the immediately succeeding fiscal year will be less than \$1,000,000;

(b) Is not a component of another local government; and

(c) Shows to the satisfaction of the Department that the completion of the discussion and analysis described in subsection 1 would impose a hardship on the local government.

3. The Department shall not require a local government which receives approval, pursuant to subsection 2, to omit the discussion and analysis described in subsection 1 to submit a plan of corrective action if the local government receives a qualified opinion from the person who conducts the annual audit and the qualified opinion is only a result of the local government omitting the discussion and analysis described in subsection 1.

4. A local government may appeal a decision of the Department made pursuant to this section to the Committee.

(Added to NAC by Com. on Local Gov't Finance by R072-05, eff. 2-23-2006)

NAC 354.721 Proposed plan of correction. ([NRS 354.107](#), [354.594](#), [354.624](#))

1. Each proposed plan of correction submitted pursuant to [NRS 354.624](#) must:

(a) Identify the statute or regulation violated;

(b) Describe the violation, including when it occurred, how it occurred and the frequency of its occurrence;

(c) If the violation was reported in the local government's last audit, describe that occurrence and the corrective action taken in the preceding year;

(d) Identify the administrative and procedural means of control used to prevent a recurrence of the violation; and

(e) Describe planned changes in the procedures for control and review to prevent future violations and identify the public officers responsible for carrying out those changes.

2. Each governing body shall submit with its proposed plan of correction a statement of the date on which it reviewed and approved the plan for submission to the Department.

(Added to NAC by Tax Comm'n, eff. 1-10-84)

NAC 354.725 Filing in duplicate; notification of Department. ([NRS 354.107](#), [354.594](#), [354.624](#))

1. The audit report which [NRS 354.624](#) requires to be filed with the Department must be provided in duplicate at the time of filing.

2. At the time of filing, the local government shall inform the Department of the date on which the auditor submitted his or her report to the local government.

(Added to NAC by Tax Comm'n, eff. 10-10-83)

NAC 354.735 Request for extension of time to file report. ([NRS 354.107](#), [354.594](#), [354.624](#))

1. Except as otherwise provided in subsection 2, a local government which desires an extension of time to file an audit report required by [NRS 354.624](#) must, on or before November 30, submit to the Department the following information in support of its application:

- (a) The name of the local government;
- (b) The name of the auditor and firm, if any;
- (c) The date the report will be filed with the governing body;
- (d) The date the report will be filed with the Department;
- (e) The reason the application is being made, including an explanation of why the statutory date for submission could not be met if due care and adequate planning were exercised by the local government and the auditor;
- (f) The name of the person making the application; and
- (g) The date of the application.

2. If the local government making the application for an extension of time is a school district, the school district must submit the information set forth in subsection 1 to the Department on or before October 31.

3. The person making the application for an extension of time must sign it.

(Added to NAC by Tax Comm'n, eff. 1-10-84; A 9-5-89; A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

INVENTORY**NAC 354.750 Inventory of capital assets: Requirement; guidelines; identifying number. ([NRS 354.107](#), [354.594](#), [354.625](#))**

1. The governing body of every local government shall take an inventory at least once every 2 years of all its equipment and other personal property which constitute capital assets. The governing body may adopt by resolution guidelines for the conduct of such an inventory. For the purposes of such an inventory, unless the governing body of the local government establishes a different guideline concerning the threshold for required capitalization by resolution:

- (a) An asset of the local government that has a value of \$3,000 or more must be capitalized;
- (b) An asset of the local government that has a value of less than \$3,000 may be capitalized or categorized as an expenditure; and
- (c) The useful life of the equipment and personal property of the local government is 1 year or more.

2. Each item of property subject to the inventory must be assigned an identifying number and be labeled as belonging to the local government.

[Tax Comm'n, Local Gov't Reg. No. 3, eff. 7-2-82] — (NAC A by Com. on Local Gov't Finance by R043-01, 11-1-2001; R201-01, 4-5-2002)

GENERAL IMPROVEMENT DISTRICTS

NAC 354.760 Duties of board of county commissioners after creation of district. ([NRS 354.107](#)) After adopting an ordinance creating a general improvement district, the board of county commissioners, as ex officio board of trustees of the district, shall:

1. Transmit a certified copy of the ordinance and the service plan required by [chapter 308](#) of NRS to the Department.

2. Comply with the requirements of subsection 2 of [NRS 318.080](#) in a manner consistent with the provisions of this chapter and the Local Government Budget and Finance Act, [NRS 354.470](#) to [354.626](#), inclusive.

[Tax Comm'n, Local Gov't Reg. part No. 19, eff. 11-15-77] — (A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

NAC 354.770 Hearing regarding corrective action: Date; submission of certified copy of ordinance or resolution. ([NRS 360.090](#))

1. Whenever a board of county commissioners is required to hold a public hearing pursuant to the provisions of [NRS 318.515](#), the hearing date must be set by that board not later than 30 days from the date of receipt of notification by the Department or the date of receipt of the petition.

2. A certified copy of any ordinance or resolution adopted by a board of county commissioners following the hearing required by the provisions of [NRS 318.515](#), must be transmitted immediately following its adoption by the clerk of the board of county commissioners to the Department.

[Tax Comm'n, Local Gov't Reg. part No. 19, eff. 11-15-77]

SPECIAL DISTRICTS**NAC 354.780 Transfer of property, money, taxes and special assessments upon merger or consolidation of district. ([NRS 354.107](#))**

1. Upon the merger of any special district to which the Local Government Budget and Finance Act, [NRS 354.470](#)

to [354.626](#), inclusive, is applicable, all property and money remaining in the treasury of that district must be surrendered and transferred to the governmental unit which assumes its obligations.

2. Upon the consolidation of any special district to which the Local Government Budget and Finance Act is applicable, all property and money remaining in the treasury of that district must be surrendered and transferred to the consolidated governmental unit.

3. Taxes, including delinquent taxes, and special assessments paid after the merger or consolidation of special districts must be paid to the governmental unit assuming the district's obligations in case of merger or to the consolidation governmental unit in the case of consolidation.

[Tax Comm'n, Local Gov't Reg. part No. 5, eff. 3-9-69; A 1-13-72; 11-15-77] — (A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

NAC 354.790 Transfer of property, money, taxes and special assessments upon dissolution of district. ([NRS 354.107](#))

1. Upon the dissolution of any special district to which the Local Government Budget and Finance Act, [NRS 354.470](#) to [354.626](#), inclusive, is applicable, all property and money remaining in the treasury of that district must be surrendered and transferred to the county general fund.

2. Taxes, including delinquent taxes, and special assessments paid after dissolution of a special district must be placed in the general fund of the county in which the property was assessed.

3. If any area comprising the district or portion thereof:

(a) Is annexed to a city or town within 6 months from the effective date of the dissolution ordinance, a pro rata share of the property and money must be transferred to the municipality.

(b) Is not annexed to a city or town within 6 months from the effective date of the dissolution ordinance, the county commissioners shall pay to the owners of property located within the former district pro rata shares of the money remaining in the district treasury, and an amount of money equal to the value of any property which is not used for the benefit of the area formerly comprising the district. The county commissioners may, before paying such money, apply a proportionate amount of the payment to any special assessments which are due.

[Tax Comm'n, Local Gov't Reg. part No. 5, eff. 3-9-69; A 1-13-72; 11-15-77] — (A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

BUDGETS OF LOCAL GOVERNMENTS

Enterprise Fund for Building Permit Fees

NAC 354.805 Definitions. ([NRS 354.107](#), [354.594](#), [354.59891](#)) As used in [NAC 354.805](#) to [354.855](#), inclusive, unless the context otherwise requires, the words and terms defined in [NAC 354.815](#), [354.825](#) and [354.835](#) have the meanings ascribed to them in those sections.

(Added to NAC by Com. on Local Gov't Finance by R043-01, eff. 11-1-2001)

NAC 354.815 "Cost center" defined. ([NRS 354.107](#), [354.594](#), [354.59891](#)) "Cost center" means an account used by a local government to track specific assets, liabilities, capital, expenses or income of the local government.

(Added to NAC by Com. on Local Gov't Finance by R043-01, eff. 11-1-2001)

NAC 354.825 "Direct cost" defined. ([NRS 354.107](#), [354.594](#), [354.59891](#)) "Direct cost" means a cost that is readily identifiable with a specific cost center.

(Added to NAC by Com. on Local Gov't Finance by R043-01, eff. 11-1-2001)

NAC 354.835 "Indirect cost" defined. ([NRS 354.107](#), [354.594](#), [354.59891](#)) "Indirect cost" means a cost that is not readily identifiable with a specific cost center, including, without limitation, indirect labor expenses and general expenses for the maintenance of an office and support services.

(Added to NAC by Com. on Local Gov't Finance by R043-01, eff. 11-1-2001)

NAC 354.845 Application for exemption from limitation on increase of building permit basis. ([NRS 354.107](#), [354.594](#), [354.59891](#)) The Nevada Tax Commission will exempt a local government from the limitation on the increase of its building permit basis as provided pursuant to the provisions of [NRS 354.59891](#) if the local government files with the Department:

1. A resolution approved by the governing board of the local government which:

(a) Authorizes the creation of an enterprise fund exclusively for fees for building permits; and

(b) Restricts the use of the money in the enterprise fund as provided by the provisions of subsection 4 of [NRS 354.59891](#).

2. A statement of the method used to calculate the general overhead and the costs of administering the program for the issuance of building permits.

3. A completed form prescribed by the Department which relates to the enterprise fund.
(Added to NAC by Tax Comm'n, eff. 8-2-90) — (Substituted in revision for NAC 354.755)

NAC 354.855 Permissible expenditures; collection of fees. ([NRS 354.107](#), [354.594](#), [354.59891](#))

1. In accordance with paragraph (e) of subsection 4 of [NRS 354.59891](#) and except as otherwise limited by [NAC 354.865](#) to [354.867](#), inclusive, the following direct and indirect costs of a program for the issuance of building permits are permissible expenditures from the enterprise fund created exclusively for building permit fees:

- (a) Issuance of building permits;
- (b) Review of the plans for development of the site, including, without limitation, grading of the property;
- (c) Review of the plans for conformance with zoning ordinances and regulations;
- (d) Review of the plans for and inspection of:

(1) A building or structure, including, without limitation, the mechanical, electrical and plumbing systems and the structural components of the building or structure;

(2) A permanent ride or structure that carries passengers over a fixed or restricted route primarily for the amusement of passengers;

(3) A system designed primarily for the transportation of passengers over a restricted course, including, without limitation, a monorail;

(4) The installation of manufactured homes and manufactured buildings; and

(5) Outdoor advertising signs, displays and devices;

(e) Administration of and support activities for the program; and

(f) Inspection of a building or structure after a disaster.

2. A local government that has created an enterprise fund for building permit fees:

(a) Shall not collect as a portion of a building permit fee a fee for any inspection activities that are provided by another local governmental entity for which an inspection fee has been collected.

(b) May collect fees and taxes for other governmental entities at the time a building permit is issued. The local government shall remit any fees and taxes collected for another local governmental entity to that entity at least once each month on a date agreed to by the local government and the entity, and unless otherwise authorized by statute or local ordinance, may not retain any part of the fees or taxes as a collection or administrative fee.

3. As used in this section:

(a) "Building permit" has the meaning ascribed to it in paragraph (b) of subsection 1 of [NRS 354.59891](#).

(b) "Building permit fee" has the meaning ascribed to it in paragraph (d) of subsection 1 of [NRS 354.59891](#).

(c) "Inspection" means an examination of a building or structure, or the components of a building or structure, to determine compliance with local building and fire codes and regulations.

(Added to NAC by Com. on Local Gov't Finance by R043-01, eff. 11-1-2001; A by R007-12, 12-20-2012)

Allocation of Costs to Enterprise Fund

NAC 354.865 Definitions. ([NRS 354.107](#), [354.594](#), [354.613](#)) As used in [NAC 354.865](#) to [354.867](#), inclusive, unless the context otherwise requires, the words and terms defined in [NAC 354.8652](#) to [354.8664](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NAC by Com. on Local Gov't Finance by R007-12, eff. 12-20-2012)

NAC 354.8652 "Applicable credits" defined. ([NRS 354.107](#), [354.594](#), [354.613](#)) "Applicable credits" means those receipts or other credits which apply to offset or reduce any items of expense that are allocable to an enterprise fund, such as, without limitation, the return of a product.

(Added to NAC by Com. on Local Gov't Finance by R007-12, eff. 12-20-2012)

NAC 354.8654 "Central service cost allocation plan" defined. ([NRS 354.107](#), [354.594](#), [354.613](#)) "Central service cost allocation plan" means the documentation of a local government that identifies, accumulates, allocates or develops billing rates for the allocation of the cost of services and property provided by the local government on a centralized basis to its departments, agencies and enterprise funds.

(Added to NAC by Com. on Local Gov't Finance by R007-12, eff. 12-20-2012)

NAC 354.8656 "Cost" defined. ([NRS 354.107](#), [354.594](#), [354.613](#)) "Cost" means the amount of cost as determined on a cash basis, an accrual basis or any other basis in accordance with generally accepted accounting principles.

(Added to NAC by Com. on Local Gov't Finance by R007-12, eff. 12-20-2012)

NAC 354.8658 "Direct cost" defined. ([NRS 354.107](#), [354.594](#), [354.613](#)) "Direct cost" means a cost incurred by a department, an agency or an enterprise fund of a local government for services or property specifically associated with and used by that department, agency or enterprise fund, such as the rental charged to a specific department, agency or

enterprise fund for its particular use of a building.

(Added to NAC by Com. on Local Gov't Finance by R007-12, eff. 12-20-2012)

NAC 354.866 “Indirect costs” defined. ([NRS 354.107](#), [354.594](#), [354.613](#)) “Indirect costs” means costs incurred for a common or joint purpose that benefits more than one cost objective, such as, without limitation, general overhead costs that are not directly linked to a specific program.

(Added to NAC by Com. on Local Gov't Finance by R007-12, eff. 12-20-2012)

NAC 354.8662 “Payments in lieu of taxes” defined. ([NRS 354.107](#), [354.594](#), [354.613](#)) “Payments in lieu of taxes” means payments that:

1. Are made to a local government to help offset losses in property taxes;
2. Can be independently determined and verified; and
3. Relate to specific property taxes.

(Added to NAC by Com. on Local Gov't Finance by R007-12, eff. 12-20-2012)

NAC 354.8664 “Reasonable cost” defined. ([NRS 354.107](#), [354.594](#), [354.613](#)) “Reasonable cost” means a cost which, in its nature and amount, does not exceed the cost that would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

(Added to NAC by Com. on Local Gov't Finance by R007-12, eff. 12-20-2012)

NAC 354.8666 Applicability. ([NRS 354.107](#), [354.594](#), [354.613](#)) [NAC 354.8668](#) and [354.867](#) do not apply to a local government:

1. That does not have any enterprise funds; or
2. To which subsection 1 of [NRS 354.613](#) does not apply.

(Added to NAC by Com. on Local Gov't Finance by R007-12, eff. 12-20-2012)

NAC 354.8668 Central service cost allocation plan: Requirements. ([NRS 354.107](#), [354.594](#), [354.613](#)) Except as otherwise limited by the provisions of this section and [NAC 354.867](#), the central service cost allocation plan of a local government:

1. May include costs for services and property that are payable from the general fund or any internal service funds or other funds of the local government.

2. Must be limited to indirect costs for services and property provided by the local government on a centralized basis, which may include, without limitation, general administrative costs, planning costs, budgeting costs, payroll costs, legal costs, legislative costs, and costs for general ledger accounting, internal audits, the administration of accounts payable, human resources, general services, emergency services, public relations, public works, property management, building and grounds maintenance, procurement and contracts, grants management, risk management, a motor pool, road maintenance, water and sewer service, telecommunications, automatic data processing services, printing, maintaining a library, records maintenance, storage and warehousing, and animal control.

3. Must not include any transfers of franchise fees, payments in lieu of taxes made for the use of any rights-of-way, payments for debt service or any direct costs which are billable directly to a specific department, agency or enterprise fund of the local government.

4. Must be based upon either audited historical data or budget data. The determination of which data to use must anticipate any expected program changes for the coming year that would not be reflected in historical data.

5. Must allocate costs in a manner that:

(a) Provides for an equitable distribution of general, overhead, administrative and similar costs of the local government; and

(b) Allocates to an enterprise fund only costs for services and property that are assignable or chargeable to the cost objective of the enterprise fund.

6. Must include a description of the methodology used to determine the allocation of costs and a schedule of the current billing rates for those costs.

7. Must be updated annually before:

(a) The date on which the local government submits its tentative budget to the Department; or

(b) If the local government is exempt from the requirement to submit a tentative budget to the Department, the date on which the local government submits its final budget to the Department.

8. Must include an attestation, signed by the chief financial officer of the local government or his or her designee, that the central service cost allocation plan complies with the provisions of [NAC 354.865](#) to [354.867](#), inclusive.

(Added to NAC by Com. on Local Gov't Finance by R007-12, eff. 12-20-2012)

NAC 354.867 Costs which may be allocated to enterprise fund. ([NRS 354.107](#), [354.594](#), [354.613](#))

1. The costs which may be allocated to an enterprise fund of a local government pursuant to paragraph (c) of

subsection 1 of [NRS 354.613](#) must be reasonable costs and include only the amounts remaining after the deduction of any applicable credits. The costs must also be:

- (a) Necessary and reasonable for the proper and efficient administration and performance of the enterprise fund;
- (b) Consistent with policies, regulations and procedures that apply uniformly to the enterprise fund and other activities of the local government;
- (c) Determined in accordance with generally accepted accounting principles; and
- (d) Documented adequately for independent verification.

2. In determining whether a cost is a reasonable cost for the purposes of subsection 1, consideration must be given to:

- (a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the enterprise fund;
- (b) Whether the cost is consistent with sound business practices, the indicia of an arm's length transaction, and the requirements and restraints imposed by state laws and regulations;
- (c) The market prices for comparable services or property;
- (d) Whether the persons incurring the cost acted with prudence under the circumstances considering their responsibilities to each pertinent governmental unit and its employees, and to the general public; and
- (e) Any significant deviations from the established practices of the local government that may have unjustifiably increased the cost.

(Added to NAC by Com. on Local Gov't Finance by R007-12, eff. 12-20-2012)

DELINQUENT DOCUMENTS AND PAYMENTS; TECHNICAL FINANCIAL ASSISTANCE; SEVERE FINANCIAL EMERGENCY

Determination of Severe Financial Emergency

NAC 354.875 Identification of certain conditions: Interpretation of certain statutory terms. ([NRS 354.107](#), [354.685](#)) As used in [NRS 354.685](#), the Committee interprets:

1. The term "decline" to mean a decline of 20 percent or more in the balance of the general fund of the local government.

2. "Past 2 years" to mean the past 2 fiscal years.

(Added to NAC by Com. on Local Gov't Finance by R201-01, eff. 4-5-2002)

Proceedings Before the Committee on Local Government Finance

NAC 354.880 Definitions. ([NRS 354.107](#)) As used in [NAC 354.880](#) to [354.942](#), inclusive, the words and terms defined in [NAC 354.882](#) to [354.892](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.882 "Day" defined. ([NRS 354.107](#)) "Day" means a calendar day.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.884 "Director" defined. ([NRS 354.107](#)) "Director" means the Executive Director of the Department.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.886 "Hearing officer" defined. ([NRS 354.107](#)) "Hearing officer" means any person the Committee may designate to hear a matter on behalf of the Committee.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.888 "Intervener" defined. ([NRS 354.107](#)) "Intervener" means a person or local government, other than an original party to a proceeding, who has secured an order from the Committee, Director or hearing officer granting leave to intervene in the proceeding.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.890 "Party" defined. ([NRS 354.107](#)) "Party" means a person or local government entitled or required to appear in a proceeding before the Committee. The term includes an intervener.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.892 "Staff" defined. ([NRS 354.107](#)) "Staff" means the staff of the Department. The term includes the Attorney General and his or her duly appointed deputies when acting as legal advisers to the Committee pursuant to [NRS 228.110](#).

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.894 Scope and construction of provisions; deviation from provisions. (NRS 354.107)

1. The provisions of [NAC 354.880](#) to [354.942](#), inclusive:

(a) Govern the practice and procedure for proceedings before the Committee to carry out the provisions of [NRS 354.655](#) to [354.725](#), inclusive.

(b) Must be liberally construed to secure the just, speedy and economical determination of all issues presented to the Committee to carry out the provisions of [NRS 354.655](#) to [354.725](#), inclusive.

2. In special cases, where good cause appears, not contrary to statute, deviation from the provisions of [NAC 354.880](#) to [354.942](#), inclusive, if stipulated to by all parties of record, will be permitted.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.896 Hearings conducted by Committee or hearing officer; applicability of provisions. (NRS 354.107)

1. The Committee may hold a hearing on any issue presented to the Committee to carry out the provisions of [NRS 354.655](#) to [354.725](#), inclusive, or assign a hearing officer to hear the matter on behalf of the Committee and propose a decision for its consideration. Except as otherwise provided in subsection 2, the provisions of [NAC 354.898](#) to [354.938](#), inclusive, apply to all such proceedings.

2. If the Committee:

(a) Does not assign a hearing officer to hear a matter and propose a decision, the provisions of [NAC 354.928](#) to [354.934](#), inclusive, do not apply to the proceedings.

(b) Assigns a hearing officer to hear a matter and propose a decision, the provisions of [NAC 354.936](#) and [354.938](#) do not apply to the proceedings.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.898 Pleadings; communications. (NRS 354.107)

1. All pleadings, including, without limitation, any complaints, petitions, answers, briefs, motions, affidavits and applications, must be addressed to the Department and not to individual members of the Committee or staff. All pleadings shall be deemed to be officially received by the Department when a true copy of the paper or document, properly addressed and stamped, is deposited in the United States mail.

2. Informal communications may be made with individual members of the staff, and these communications and documents shall be deemed to be officially received by the Department when they are properly addressed and stamped and deposited in the United States mail.

3. Informal communications from the Department or Committee must be signed by the responsible staff member or the Chair of the Committee.

4. Each communication must be limited to one subject and contain the name and address of the person originating the communication.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.900 Transcripts. (NRS 354.107)

1. If a party desires a transcript of any hearing held by the Committee or a hearing officer, the party must furnish the reporter, pay for the transcript and deliver a copy of the transcript to the Director within 20 days after filing an appeal or petition for reconsideration of the matter.

2. If a party prepares a transcript from a tape recording provided by the Department and desires to use the transcript in any subsequent hearing or appeal of the matter, the party must deliver a copy of the transcript to the Department within the time required by subsection 1.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.902 Interveners. (NRS 354.107)

1. A person or local government, other than an original party to a proceeding, who is directly and substantially affected by the proceeding and wishes to participate in the proceeding must secure an order from the Committee, Director or hearing officer granting leave to intervene before being allowed to participate. The granting of leave to intervene in any proceeding is not a finding or determination of the Committee, Director or hearing officer that the party will or may be a party aggrieved by any ruling or decision of the Committee or the hearing officer for the purposes of any review or appeal.

2. A petition for leave to intervene must:

(a) Be in writing;

(b) Clearly identify the proceeding in which intervention is sought;

(c) Set forth the name and address of the petitioner;

(d) Contain a clear and concise statement of the direct and substantial interest of the petitioner in the proceeding, stating the manner in which the petitioner will be affected by the proceeding and the matters relied upon by the petitioner as a basis for the request to intervene; and

(e) If the petitioner is seeking affirmative relief, contain a clear and concise statement of the relief sought and the basis for that relief, together with a statement as to the nature and quantity of evidence the petitioner will present if the petition is granted.

3. A petition for leave to intervene must not be considered unless the petitioner:

(a) Files the petition and proof of service of copies of the petition on all other parties of record not less than 15 days before the commencement of the hearing; or

(b) States a substantial reason for the delay.

4. If a petition for leave to intervene shows a direct and substantial interest in the subject matter of the proceeding or any part thereof and does not unduly broaden the issues, the Committee, Director or hearing officer may grant leave to intervene or otherwise appear in the proceeding with respect to the matters set out in the petition, subject to such reasonable conditions as may be prescribed.

5. If it appears during the course of a proceeding that an intervener has no direct or substantial interest in the proceeding and that the public interest does not require the intervener's participation in the proceeding, the Committee may dismiss the intervener from the proceeding.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.904 Rights of parties and staff at evidentiary hearings. ([NRS 354.107](#)) At any evidentiary hearing, the parties and staff may:

1. Call and examine witnesses.

2. Introduce exhibits relevant to the issues of the proceeding.

3. Cross-examine opposing witnesses on any matter relevant to the issues of the proceeding, even though that matter was not covered in the direct examination.

4. Impeach any witness, regardless of which party first called the witness to testify.

5. Offer rebuttal evidence.

6. Call any person who may be an adverse witness because of his or her relationship to any party, and examine the person as an adverse witness.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.906 Representation of parties; qualifications of attorneys. ([NRS 354.107](#))

1. A party may appear in person or as provided in subsection 2, or may be represented by an attorney, accountant or authorized representative.

2. A party, if other than a natural person, may appear:

(a) If a partnership, by a partner.

(b) If a corporation, by an officer or other authorized representative or regular employee.

(c) If a local government, by an authorized officer, agent or employee.

(d) If an unincorporated association, by an authorized representative, officer or employee.

3. If a party chooses to be represented by an attorney, the attorney must be admitted to practice and in good standing before the highest court of any state of the United States. If the attorney is not admitted to practice and in good standing before the Supreme Court of Nevada, an attorney so admitted and in good standing must be associated with the attorney appearing before the Committee or hearing officer.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.908 Hearings: Notice; location; telephone conference; duties of representatives; conduct required. ([NRS 354.107](#))

1. Except as otherwise provided in subsection 5, not less than 10 days before the date set for a hearing, the staff shall serve notice of the place, date and time of the hearing on each party or the authorized agent of a party at the address of the party or authorized agent as it appears in the records of the Department.

2. The staff shall notify the appropriate representative of a party regarding a hearing which may have a direct effect upon a matter within the representative's scope of authority. The representative shall:

(a) Attend any hearing specified in this subsection, unless otherwise directed by the Committee; and

(b) Make any presentation prescribed by the Committee, Director or hearing officer.

3. Hearings will be held at the offices of the Department in Carson City, Nevada, or at such other place in the State as may be designated in the notice of hearing.

4. The Committee may conduct a hearing or any part thereof by means of a telephone conference so long as it complies with the applicable provisions of [chapter 241](#) of NRS.

5. In all hearings held by the Committee or hearing officer, the hearing date may be set with less than 10 days' notice if the parties and staff agree in writing.

6. A person appearing in a proceeding shall conform to the recognized standards of ethical and courteous conduct.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.910 Prehearing conferences. ([NRS 354.107](#))

1. Upon the motion of the Committee, the hearing officer or a party, the Committee or hearing officer may hold a prehearing conference for the purpose of formulating or simplifying the issues, obtaining admissions of fact or documents which will avoid unnecessary proof, arranging for the exchange of proposed exhibits or prepared expert testimony, limiting the number of witnesses, establishing any hearing procedure or determining any other matters which may expedite the orderly conduct and disposition of the proceeding or settlement of the proceeding.

2. The action taken at a prehearing conference and the agreements, admissions or stipulations made by the parties concerned must be made a part of the record and must be approved by the parties. When approved, the action will control the course of subsequent proceedings, unless otherwise stipulated to by all the parties of record with the consent of the Committee or hearing officer.

3. In any proceeding, the Committee or hearing officer may, at the discretion of the Committee or hearing officer, call all of the parties together for a conference before the taking of testimony. The Committee or hearing officer shall state on the record the results of the conference.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.912 Continuances; recesses. ([NRS 354.107](#)) The Committee or hearing officer may, at the discretion of the Committee or hearing officer, either before or during a hearing, grant continuances or recesses.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.914 Failure of party to appear. ([NRS 354.107](#)) At the time and place set for a hearing, if a party fails to appear, the Committee or hearing officer may, at the discretion of the Committee or hearing officer, dismiss the proceeding with or without prejudice or may recess the hearing for a period of time to be set by the Committee or hearing officer to enable the party to attend.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.916 Burden of proof or explanation. ([NRS 354.107](#)) Any party required to appear before the Committee pursuant to:

1. [NRS 354.665](#) to explain the reason that a document has not been filed has the burden of proving that the document was filed as required or providing an explanation satisfactory to the Committee of the reason that the document was not filed as required.

2. [NRS 354.671](#) to explain the reason that a payment has not been made has the burden of proving that the payment was made as required or providing an explanation satisfactory to the Committee of the reason that the payment was not made as required.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.918 Presentation of evidence. ([NRS 354.107](#)) Evidence may be received in any manner ordered by the Committee or hearing officer, but will ordinarily be received from the parties in the following order:

1. Brief orientation by the staff;
2. Each party;
3. The staff;
4. Intervenors; and
5. Rebuttal by each party.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.920 Admission of evidence; depositions; affidavits. ([NRS 354.107](#))

1. In conducting a hearing, the Committee or hearing officer is not bound by technical rules of evidence. Any relevant evidence may be admitted, except where precluded by law, if it is of a type commonly relied upon by reasonable and prudent persons in the conduct of their affairs, even though the evidence might be subject to objection in civil actions.

2. Oral evidence may be taken only upon oath or affirmation administered by the hearing officer, the Director, a deputy attorney general or a member of the Committee. Before taking the witness stand, each person must swear or affirm that the testimony the person is about to give will be the truth, the whole truth and nothing but the truth.

3. Hearsay evidence, as that term is used in civil actions, may be admitted for the purpose of supplementing or explaining other evidence, but it is not sufficient to support findings of fact unless it would be admissible over objection in civil actions.

4. The rules of privilege must be applied as they are applied in civil actions.

5. Irrelevant, cumulative and unduly repetitious evidence is not admissible, nor is incompetent evidence, as that term is used in civil actions, with the exception of hearsay evidence as provided in subsection 3.

6. The parties or their counsel may by written stipulation agree that certain specified evidence may be admitted, even though the evidence would otherwise be subject to objection.

7. The Committee, the hearing officer or any party to a proceeding may cause the depositions of witnesses to be taken in such a manner as the Committee or hearing officer may prescribe which is consistent with the rules of the court for depositions in civil actions in the district courts.

8. The affidavit of any person may be admitted in evidence if all the parties stipulate and consent to its admission.
(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.922 Official notice. ([NRS 354.107](#)) The Committee or hearing officer may take official notice of the following matters:

1. Rules, regulations, official reports, decisions and orders of the Committee and any regulatory agency of the State.

2. Matters of common knowledge and technical or scientific facts of established character.

3. Official documents, if pertinent, when properly introduced into the record of formal proceedings by reference, if proper and definite reference to the document is made by the party offering it and it is published and generally circulated so that all of the parties of interest at the hearing have an opportunity to examine it and present rebuttal evidence.

4. Matters which may be judicially noticed by the courts of the State.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.924 Briefs. ([NRS 354.107](#))

1. In any proceeding, the Committee, Director or hearing officer may order briefs filed within such time as the Committee, Director or hearing officer allows.

2. Briefs must be filed with the Director or hearing officer and be accompanied by an acknowledgment of or an affidavit showing service on all other parties of record.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.926 Orders for information. ([NRS 354.107](#)) The Committee may order any information it deems necessary to determine the matters before it.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.928 Hearing officer: Proposed decision; findings and conclusions. ([NRS 354.107](#))

1. Not later than 60 days after the close of a hearing conducted by a hearing officer, the hearing officer shall file with the Committee a proposed decision that sets forth the findings and conclusions of the hearing officer and the reasons and bases for those findings and conclusions. The proposed decision must be served on each party.

2. The findings and conclusions of a hearing officer are not required to be included in a stipulated agreement.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.930 Proposed decision of hearing officer: Written objection; reply to objection; action by Committee. ([NRS 354.107](#))

1. Except as otherwise provided in this subsection, a party may file with the Committee a written objection to the proposed decision of a hearing officer not later than 20 days after receipt of the proposed decision. The written objection must state with particularity the issues presented, the points of law or fact on which the party relies and the relief requested by the party. The Committee may, upon good cause shown, allow a party to file a written objection with the Committee more than 20 days after receipt of a proposed decision.

2. A party who files a written objection shall serve a copy of the written objection on all parties.

3. Except as otherwise provided in this subsection, a party may reply to a written objection not later than 15 days after receipt of the written objection. A party replying to a written objection must serve the reply on all parties. The Director may, upon good cause shown, grant an extension of time for a party to file a reply to a written objection.

4. If no party files a written objection pursuant to subsection 1, the Committee will place the proposed decision on the agenda for its next scheduled meeting for action by the Committee.

5. If a party files a written objection pursuant to subsection 1 within 20 days after receipt of the proposed decision or if the Committee chooses to take any action concerning the review of the proposed decision, other than to remand the proposed decision to the hearing officer for clarification of the decision, the Committee will hold a hearing on the proposed decision. The Committee will provide notice of the hearing to the parties not later than 15 days before the hearing, unless the parties waive the notice in writing or on the record before the Committee.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.932 Hearing before Committee: Basis on record before hearing officer; determination that record is inadequate. ([NRS 354.107](#)) The hearing held before the Committee pursuant to [NAC 354.930](#) must be based on the record made before the hearing officer. If the Committee determines the record is inadequate, the Committee may remand the matter to the hearing officer for further proceedings or open the record and hear new evidence.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.934 Hearing before Committee: Action by Committee; issuance of written order. ([NRS 354.107](#))

1. After the close of oral argument, the Committee will:

(a) Make a final decision that adopts, reverses or modifies, in whole or in part, the proposed decision of the hearing officer; or

(b) Remand the matter to the hearing officer for further proceedings.

2. The Director shall issue the written decision on behalf of the Committee not later than 60 days after the final decision is made or the matter is remanded pursuant to subsection 1.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.936 Final decision of Committee. ([NRS 354.107](#))

1. The staff shall, pursuant to the direction and with the approval of the Committee, prepare the Committee's final decision on the issues presented in a hearing conducted by the Committee. The draft of each decision must be approved by the Chair of the Committee before being issued.

2. The Committee's final decision will be written and will include separate findings and conclusions based upon substantial evidence or matters officially noticed. After the hearing is completed, the Committee may request a party to prepare proposed findings and conclusions.

3. The staff shall serve a copy of the Committee's final decision on each party of record.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.938 Petition for reconsideration: Grounds; filing and contents; answer; grant or denial. ([NRS 354.107](#))

1. A party who believes that a decision of the Committee, or any portion thereof, is:

(a) Unlawful;

(b) Unreasonable; or

(c) Based on findings or conclusions that are erroneous,

may file a petition for reconsideration. The petition must be filed with the Committee and served on all parties within 15 days after the date of service of the decision.

2. A petition for reconsideration must:

(a) Identify with precision each portion of the decision that the party alleges is unlawful, unreasonable or erroneous.

(b) Cite with specificity those portions of the record, the statutes or the regulations that support the allegations in the petition. The petition must not include additional evidence or request the submission or taking of new evidence.

3. A party may submit an answer in opposition to a petition for reconsideration. The answer must be filed with the Committee and served on all other parties within 5 days after the date of service of the petition for reconsideration. The answer must be limited to the issues raised in the petition for reconsideration.

4. The Committee may grant or deny, in whole or in part, a timely filed petition for reconsideration within 60 days after the date of service of the final decision. If the Committee takes no action within that period, the petition shall be deemed to be denied.

5. Unless otherwise provided by the Committee, the filing of a petition for reconsideration or the granting of such a petition by the Committee does not excuse compliance with or suspend the effectiveness of the challenged decision.

6. If the Committee grants a petition for reconsideration, it will reexamine the decision and the record with regard to the issues on which it granted reconsideration. After this reexamination, the Committee will issue a modified final decision or reaffirm its original decision.

7. A modified final decision incorporates all portions of the original decision not modified. A modified final decision, or the original decision if reaffirmed, is the final decision of the Committee.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.940 Advisory opinions: Petition. ([NRS 233B.120](#))

1. Any person may petition for an advisory opinion concerning matters within the jurisdiction of the Committee.

2. All petitions must be in writing, be addressed to the Director and set forth at least the following:

(a) A statement that an advisory opinion is requested;

(b) A succinct statement of all the facts and circumstances necessary to dispose of the petition;

(c) A clear, simple statement of the issue or question to be resolved;

(d) A statement of all statutes, rules, agency decisions or other authorities which the petitioner believes may be relevant in disposing of the petition; and

(e) A statement with supporting arguments and authorities of the petitioner's opinion of a proper disposition of the petition.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)

NAC 354.942 Advisory opinions: Form; contents; issuance; delivery; appeals. ([NRS 233B.120](#))

1. Advisory opinions must:

(a) Be written;

(b) Include a statement of facts, question, analysis and opinion;

(c) Be issued by the Director within 45 days after the filing of the petition unless the Director in writing orders an extension of time up to a maximum of 60 days after filing; and

(d) Be delivered to the petitioner in person or by certified mail.

2. Advisory opinions issued by the Director are appealable to the Committee. An appeal of an advisory opinion issued by the Director must be filed not later than 20 days after receipt of the advisory opinion and state with particularity the issues presented, the points of law or fact on which the party relies and the relief requested.

3. If a person files an appeal of an advisory opinion pursuant to subsection 2, the Committee will hold a hearing on the advisory opinion. The Committee will provide notice of the hearing to the person who filed the appeal not later than 15 days before the hearing.

4. After the close of a hearing held pursuant to subsection 3, the Committee will issue an order that adopts, reverses or modifies, in whole or in part, the advisory opinion issued by the Director. The Director shall issue the written order and an advisory opinion that reflects the order not later than 60 days after the order is made.

(Added to NAC by Com. on Local Gov't Finance by R042-09, eff. 6-30-2010)