

ENDING
FUND
BALANCE
PROPOSED
LANGUAGE

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

LCB File No.

Presented to CLGF workshop on December 17, 2019

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

AUTHORITY: §§ 1-4, NRS 354.107(1)

A REGULATION relating to local government finance; revising provisions relating to the amount of budgeted ending fund balance not subject to negotiations with other local governments or employee organizations.

Section 1. NAC 354.660 is hereby amended as follows:

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]~~ **16.67** percent of the total budgeted expenditures, less capital outlay, for a general fund *or 8.3 percent of total budgeted expenditures for a local government special revenue fund which receives revenue from property taxes of Local Government Tax Distribution Account:*

- (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]~~ **16.60** percent of the total budgeted expenditures, ~~[less capital outlay]~~, for a *county* school district ~~[general]~~ fund: ~~[or 8.3% of total budgeted expenditures for 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.

DRAFT

NRS 354.675

FISCAL

WATCH

PROPOSED

LANGUAGE

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

AUTHORITY: §§ 1-4, NRS 354.107(1)

A REGULATION relating to local government finance; setting forth requirements and reports that may be required at the bequest of the Committee of Local Government Finance or the Department of Taxation of a local entity that has been placed on fiscal watch.

Section 1. Chapter 354 of NAC is hereby amended by adding thereto a new section to read as follows.

- 1. Notwithstanding NRS 354.598005 if pursuant to NRS 354.675(1) a local entity is placed on fiscal watch, the Department in issuing the written notice to the local government as required by NRS 354.675(1) shall make a request for the documentation needed to carry out the provisions of NRS 354.675.*
- 2. The entity that is placed on fiscal watch shall prepare and provide any documentation that is requested from the Department or the Committee on Local Government Finance:*
 - a. The request for further documentation may be amended in writing by either the Department or the Committee on Local Government Finance at any time deemed necessary, until the entity is removed from fiscal watch.*
 - b. The written notice of fiscal watch as well as the documentation requested in the notice shall be presented to the governing board of that local entity at the next feasible board meeting.*

3. The documentation referenced in section 1 and 2 may include, but is not limited to the following:

- a. Projected timeline of submittal of reports and documentation*
 - b. Preparation and submittal of amended final budgets, including budgets impacted by recent legislation; and*
 - c. Projected expenditures and revenues by fund and fund type by month for a requested minimum time period of not less than 2 years; and*
 - d. Historical expenditures and revenues by fund and fund type by month for a requested minimum time period of not less than 2 years; and*
 - e. Projected monthly cashflows for a minimum of 2 fiscal years forward from the year the entity is placed on fiscal watch; and*
 - f. Projected timeline of annual audit; and*
 - g. Quarterly budget to actual revenues and expenditures by fund and fund type; and*
 - h. Monthly bank reconciliations; and*
 - i. Plan of corrective action to fulfill the deficiencies noted in the written notice of fiscal watch; and*
 - j. Proof of notice of fiscal watch and plan of corrective action being presented to governing board; and*
 - k. Other reports or documentation requested by the Committee on Local Government Finance or the Department of Taxation determined needed to carry out the provisions of NRS 354.*
- 4. A local entity may petition either the request or amended request for documentation within 30 days of written receipt of the request or amended request of documentation to the Department of Taxation. The appeal of requested information shall provide reasoning as to why any documentation should not be provided. The Committee or Department may either re-define or uphold the request for information. The decision shall be final.*