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

**LCB File No. R053-16**

April 14, 2016

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

AUTHORITY: §1, NRS 354.107.

A REGULATION relating to local government finance; excluding certain money from collective bargaining negotiations and from consideration in determining the ability of local governments to pay compensation and monetary benefits; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law provides that for a general fund of a local government other than a school district, a budgeted ending fund balance of not more than 25 percent of the total budgeted expenditures, less capital outlay, is not subject to collective bargaining negotiations and cannot be considered by a fact finder or arbitrator in determining ability to pay compensation or monetary benefits. (NRS 354.6241, as amended by section 2 of Senate Bill No. 168, chapter 490, Statutes of Nevada 2015, at page 2967) Existing regulations provide that for a general fund of a local government or certain special revenue funds of a local government, a budgeted ending fund balance of not more than 8.3 percent of the total budgeted expenditures, less capital outlay, is not subject to collective bargaining negotiations. (NAC 354.660) This regulation: (1) incorporates statutory language to provide that for a local government other than a school district, a budgeted ending fund balance of not more than 25 percent of the total budgeted expenditures, less capital outlay, for a general fund, is not subject to negotiations and cannot be considered by a fact finder or arbitrator as ability to pay; and (2) provides that 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 certain special revenue funds of a local government are not subject to collective bargaining negotiations and cannot be considered by a fact finder or arbitrator as ability to pay.

**Section 1.** NAC 354.660 is hereby amended to read as follows:

354.660 ***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 ~~[is]~~ ***:***

***(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.***