
ASSEMBLY BILL NO. 333—ASSEMBLYMEN HEALEY, KIRKPATRICK;
COHEN, LIVERMORE, PIERCE, STEWART AND SWANK

MARCH 18, 2013

JOINT SPONSOR: SENATOR JONES

Referred to Committee on Government Affairs

SUMMARY—Requires the proposed budget of the Executive Department of the State Government to contain certain information relating to incentives for economic development. (BDR 31-811)

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

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

AN ACT relating to state financial administration; requiring each state agency which approves an abatement of taxes or other incentive for economic development periodically to conduct an analysis of the costs and benefits of the incentive and report the results of its analysis to the Chief of the Budget Division of the Department of Administration; requiring that the results of the analysis, as so reported, be included in the proposed state budget; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Various provisions of existing law provide for the approval by state agencies of
2 tax abatements and other incentives for economic development. (NRS 274.310,
3 274.320, 274.330, 360.750, 361.0687, 374.357, 701A.210) **Section 1** of this bill
4 requires each state agency which approves such an incentive, including, without
5 limitation, the Office of Economic Development, periodically to conduct an
6 analysis of the costs and benefits of the incentives in effect during the immediately
7 preceding 2 fiscal years, in accordance with a methodology prescribed by the Chief
8 of the Budget Division of the Department of Administration, and report to the Chief
9 concerning the results of the agency's analysis. **Section 1** provides that any such
10 report is a public record.



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11 **Section 3** of this bill requires that the results of each agency's analysis, as
12 reported to the Chief for the immediately preceding 2 fiscal years, be included as
13 part of the proposed state budget for each biennium.

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

1 **Section 1.** Chapter 353 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 **1. The Chief shall:**

4 *(a) Require each state agency, including, without limitation,*
5 *the Office of Economic Development, periodically to conduct an*
6 *analysis of the relative costs and benefits of each incentive for*
7 *economic development previously approved by the agency and in*
8 *effect during the immediately preceding 2 fiscal years, including,*
9 *without limitation, any abatement of taxes approved by the Office*
10 *of Economic Development pursuant to NRS 274.310, 274.320,*
11 *274.330, 360.750, 361.0687, 374.357 or 701A.210, to assist the*
12 *Governor and the Legislature in determining whether the*
13 *economic benefits of the incentive have accomplished the purposes*
14 *of the statute pursuant to which the incentive was approved and*
15 *warrant additional incentives of that kind;*

16 *(b) Require each such state agency to report in writing to the*
17 *Chief the results of the analysis conducted by the agency pursuant*
18 *to paragraph (a);*

19 *(c) Prescribe by regulation the methodology for performing*
20 *and reporting the results of the analysis required by paragraph*
21 *(a); and*

22 *(d) Establish a schedule for performing and reporting the*
23 *results of the analysis required by paragraph (a) which ensures*
24 *that the results of the analysis reported by each state agency are*
25 *included in the proposed budget prepared pursuant to NRS*
26 *353.205, as required by that section.*

27 **2. Each report prepared by a state agency for the Chief**
28 **pursuant to this section is a public record and is open to inspection**
29 **pursuant to the provisions of NRS 239.010.**

30 **Sec. 2.** NRS 353.155 is hereby amended to read as follows:
31 353.155 As used in NRS 353.150 to 353.246, inclusive, **and**
32 **section 1 of this act** "Chief" means the Chief of the Budget Division
33 of the Department of Administration.

34 **Sec. 3.** NRS 353.205 is hereby amended to read as follows:
35 353.205 1. The proposed budget for the Executive
36 Department of the State Government for each fiscal year must be set
37 up in ~~three~~ **four** parts:



1 (a) Part 1 must consist of a budgetary message by the Governor
2 which includes:

3 (1) A general summary of the long-term performance goals
4 of the Executive Department of the State Government for:

5 (I) Core governmental functions, including the education
6 of pupils in kindergarten through grade 12, higher education, human
7 services and public safety and health; and

8 (II) Other governmental services;

9 (2) An explanation of the means by which the proposed
10 budget will provide adequate funding for those governmental
11 functions and services such that ratable progress will be made
12 toward achieving those long-term performance goals;

13 (3) An outline of any other important features of the financial
14 plan of the Executive Department of the State Government for the
15 next 2 fiscal years; and

16 (4) A general summary of the proposed budget setting forth
17 the aggregate figures of the proposed budget in such a manner as to
18 show the balanced relations between the total proposed expenditures
19 and the total anticipated revenues, together with the other means of
20 financing the proposed budget for the next 2 fiscal years, contrasted
21 with the corresponding figures for the last completed fiscal year and
22 fiscal year in progress. The general summary of the proposed budget
23 must be supported by explanatory schedules or statements,
24 classifying the expenditures contained therein by organizational
25 units, objects and funds, and the income by organizational units,
26 sources and funds. The organizational units may be subclassified by
27 functions and by agencies, bureaus or commissions, or in any other
28 manner determined by the Chief.

29 (b) Part 2 must embrace the detailed budgetary estimates both of
30 expenditures and revenues as provided in NRS 353.150 to 353.246,
31 inclusive **H**, *and section 1 of this act*. The information must be
32 presented in a manner which sets forth separately the cost of
33 continuing each program at the same level of service as the current
34 year and the cost, by budgetary issue, of any recommendations to
35 enhance or reduce that level of service. Revenues must be
36 summarized by type, and expenditures must be summarized by
37 program or budgetary account and by category of expense. Part 2
38 must include:

39 (1) The identification of each long-term performance goal of
40 the Executive Department of the State Government for:

41 (I) Core governmental functions, including the education
42 of pupils in kindergarten through grade 12, higher education, human
43 services, and public safety and health; and

44 (II) Other governmental services,



1 ↪ and of each intermediate objective for the next 2 fiscal years
2 toward achieving those goals.

3 (2) An explanation of the means by which the proposed
4 budget will provide adequate funding for those governmental
5 functions and services such that those intermediate objectives will
6 be met and progress will be made toward achieving those long-term
7 performance goals.

8 (3) A mission statement and measurement indicators for each
9 department, institution and other agency of the Executive
10 Department of the State Government, which articulate the
11 intermediate objectives and long-term performance goals each such
12 department, institution and other agency is tasked with achieving
13 and the particular measurement indicators tracked for each such
14 department, institution and other agency to determine whether the
15 department, institution or other agency is successful in achieving its
16 intermediate objectives and long-term performance goals, provided
17 in sufficient detail to assist the Legislature in performing an analysis
18 of the relative costs and benefits of program budgets and in
19 determining priorities for expenditures. If available, information
20 regarding such measurement indicators must be provided for each of
21 the previous 4 fiscal years. If a new measurement indicator is being
22 added, a rationale for that addition must be provided. If a
23 measurement indicator is being modified, information must be
24 provided regarding both the modified indicator and the indicator as
25 it existed before modification. If a measurement indicator is being
26 deleted, a rationale for that deletion and information regarding the
27 deleted indicator must be provided.

28 (4) Statements of the bonded indebtedness of the State
29 Government, showing the requirements for redemption of debt, the
30 debt authorized and unissued, and the condition of the sinking
31 funds.

32 (5) Any statements relative to the financial plan which the
33 Governor may deem desirable, or which may be required by the
34 Legislature.

35 (c) Part 3 *must set forth, for each state agency which is*
36 *required to conduct an analysis and report to the Chief pursuant*
37 *to section 1 of this act, the results of the analysis as so reported for*
38 *the immediately preceding 2 fiscal years.*

39 (d) Part 4 must include a recommendation to the Legislature for
40 the drafting of a general appropriation bill authorizing, by
41 departments, institutions and agencies, and by funds, all
42 expenditures of the Executive Department of the State Government
43 for the next 2 fiscal years, and may include recommendations to the
44 Legislature for the drafting of such other bills as may be required to
45 provide the income necessary to finance the proposed budget and to



1 give legal sanction to the financial plan if adopted by the
2 Legislature.

3 2. Except as otherwise provided in NRS 353.211, as soon as
4 each part of the proposed budget is prepared, a copy of the part must
5 be transmitted to the Fiscal Analysis Division of the Legislative
6 Counsel Bureau for confidential examination and retention.

7 3. Except for the information provided to the Fiscal Analysis
8 Division of the Legislative Counsel Bureau pursuant to NRS
9 353.211, parts 1 and 2 of the proposed budget are confidential until
10 the Governor transmits the proposed budget to the Legislature
11 pursuant to NRS 353.230, regardless of whether those parts are in
12 the possession of the Executive or Legislative Department of the
13 State Government. Part ~~3~~ 4 of the proposed budget is confidential
14 until the bills which result from the proposed budget are introduced
15 in the Legislature. As soon as practicable after the Governor
16 transmits the proposed budget to the Legislature pursuant to NRS
17 353.230, the information required to be included in the proposed
18 budget pursuant to subparagraphs (1), (2) and (3) of paragraph (b) of
19 subsection 1 must be posted on the Internet websites maintained by
20 the Governor, the Department of Administration and the Budget
21 Division of the Department of Administration.

22 **Sec. 4.** This act becomes effective on July 1, 2013.

