

LCB File No. R201-01

PROPOSED REGULATION OF THE COMMITTEE
ON LOCAL GOVERNMENT FINANCE

January 29, 2002

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

AUTHORITY: NRS 354.107

Chapter 354 of the NAC is hereby amended by adding thereto a new section to read as follows:

GENERAL PROVISIONS

NAC XXX Definitions. As used in this chapter, unless the context otherwise requires:

Section 1. “Committee” means the Committee on Local Government Finance.

Sec. 2. “Department” means the Department of Taxation.

Chapter 354 of the NAC is hereby amended by adding thereto a new section to read as follows:

DETERMINATION OF CONDITION OF SEVERE FINANCIAL EMERGENCY

NAC XXX. (NRS 354.107, 354.685) Decline in Assessed Valuation, Population, or Fund Balance.

Section 1. The period of time used to determine the cumulative decline of 10 percent in population or assessed valuation shall be two years. The first analytical period begins with the fiscal 2000-2001 year.

Sec. 2. The decline in the fund balance must be material. A material decline is one in which the fund balance declines by 20% or more.

NAC 354.010 through 354.510 are hereby amended to read as follows:

EXEMPTION OF CERTAIN SPECIAL DISTRICTS FROM FILING

NAC 354.010 (NRS 354.107, 354.475) Petition for exemption.

Section 1. Any special district with annual total expenditures of less than ~~[\$100,000]~~ *\$200,000 (excluding transfers)* during a current fiscal year and ~~proposed~~ *budgeted* annual total expenditures of less than ~~[\$100,000]~~ *\$200,000 (excluding transfers)* in the succeeding fiscal year may petition the department of taxation for exemption from all or any one of the following:

- (a) Filing of a tentative budget.
- (b) Filing of independent audit reports.
- (c) Publishing requirements of the Local Government Budget *and Finance* Act, other than the annual publication of a notice of budget adoption and filing.
- (d) Maintaining accounting records on an accrual or modified accrual basis.

(e) Filing of a 5-year capital improvement plan pursuant to the provisions of NRS 354.5945.

Sec. 2. The petition must be in the form of an ordinance or resolution adopted by the governing body of the district.

Sec. 3. No district will be granted an exemption if it is:

- (a) In noncompliance with any law or regulation at the time the petition is made; *or*
- (b) In default in payments due for the redemption of any bond *or other outstanding indebtedness.*

NAC 354.020 (NRS 354.107, 354.475, 354.594) Authority of department of taxation to grant or deny petition.

Section 1. The department of taxation has final authority to grant all or part of the petition of each entity. The executive director may act on behalf of the department in granting or denying the petition of any district filed pursuant to NAC 354.010 to 354.040, inclusive.

Sec. 2. The department's determination must be made and entities notified no later than ~~February 1~~ 30 days of filing its report. ~~[of each year.]~~

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

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

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

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

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

Sec. 2. Balance sheet.

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

Section 1. A special district that has ~~been~~ *elected to be* exempted from the requirement of filing its *tentative* budget documents and audit reports pursuant to the provisions of NRS 354.475 shall hold a public hearing concerning its *final* budget *prior to its submission to the department of taxation.*

Sec. 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 of taxation. 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 of taxation.

PREPARATION OF BUDGETS

NAC 354.100 (NRS 354.107, 354.594, 354.596, 354.598) Budget forms. All local government entities subject to the provisions of the Local Government Budget *and Finance* Act, NRS 354.470 to 354.626, inclusive, shall utilize budget forms provided by the department and complete them as prescribed in NAC 354.100 to 354.160, inclusive, and in instructions ~~submitted~~ *provided* by the department. *Electronic filing of fiscal reports as prescribed in NAC 354.XXX shall fulfill the requirements of filing tentative and final budgets required by NRS 354.596 and NRS 354.598.*

NAC 354.120 is hereby repealed.

~~[NAC 354.120 Index page. All entities whose budget document exceeds 5 pages shall attach an index page to the front of the budget document listing all funds contained in the document.]~~

NAC 354.130 is hereby repealed.

~~[NAC 354.130 Negative conversion factor. Each local government which has a negative conversion factor shall amortize the factor, in a systematic and rational manner, over a period not to exceed 40 years.]~~

NAC 354.140 (NRS 354.107, 354.594, 354.596) Tentative Budget: Letter of certification. A tentative budget submitted to the department of taxation must be accompanied by a letter of certification signed by the governing body or the officer charged by law with preparing the budget. *A letter of certification must be separately filed when the tentative budget is electronically filed as part of the fiscal report.*

NAC 354.150 (NRS 354.107, 354.594, 354.596) Additional filing when tentative budget adopted as filed. If its tentative budget as filed is adopted as a final budget, an entity need file only:

Section 1. A cover letter stating that fact; and

Sec. 2. A new letter of certification signed by the governing body.

These documents must be separately filed when the tentative budget is electronically filed as part of the fiscal report.

NAC 354.155 (NRS 354.107, 354.594, 354.598) Submission of notice of information with final budget. The final budget submitted to the department of taxation by ~~a local government~~ *the person charged with preparing the budget at the county level* ~~must include~~ *shall submit* a copy of the notice of information prepared and caused to be published by the ex officio tax receiver *pursuant to the provisions of NRS 361.4545.*

NAC 354.160 (NRS 354.107, 354.594, 354.598) Substantial change in budget. If as a result of negotiations or a factfinder's report, a substantial change to an entity's budget becomes necessary, the entity shall file, within 30 days after receiving the report, those fund schedules affected consistent with the budgetary requirements of the report.

TAXES AD VALOREM
PROPERTY TAXES

NAC 354.211 (NRS 354.107, 354.594, 354.59875) Submission to department of resolution levying common rate for common services in unincorporated towns. The board of county commissioners shall submit to the department of taxation a copy of any resolution which levies a common rate of taxes ad valorem for common services provided in unincorporated towns.

NAC 354.XXX (NRS 354.107, 354.594, 354.598) Final Budgets. The local government shall submit changes which results in an increase or decrease to the tax rates levied to final budgets to the county auditor and the county clerk within 15 days after making the change.

CREATION OF FUNDS

NAC 354.241 (NRS 354.107, 354.594, 354.624) Contents and filing of resolution adopted to create certain funds. A resolution adopted by a local government to create a fund of a type which is listed in paragraph ~~(e)~~ (a) of subsection ~~4~~ 5 of NRS 354.624, must be filed with the department of taxation immediately upon adoption and must contain:

- Section* 1. A statement of the purpose of the fund.
- Sec.* 2. The sources of the money that is expected to be deposited in the fund.
- Sec.* 3. A short-term and long-term plan for the expenditures from the fund.
- Sec.* 4. A plan for the retention or disposition of the balance, reserves and retained earnings of the fund.
- Sec.* 5. A mechanism for curing deficiencies in the balance, reserves and retained earnings of the fund.
- Sec.* 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.
- Sec.* 7. A list of all statutes and regulations that apply to the fund.

LETTER OF CREDIT; ADVANCE APPORTIONMENT OF TAX

NAC 354.270 (NRS 354.107, 354.270) Letter of credit issued to local government.

Section 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.

Sec. 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.

NAC 354.280 (NRS 354.107, 354.270, 354.290) Advance of taxes apportioned to local government.

Section 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.

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

TRANSFER OF MONEY BETWEEN ACCOUNTS

NAC 354.350 (NRS 354.107, 354.150) Unclaimed money.

Section 1. Entities that have unclaimed money held for a period of 7 years 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 ~~[(b)]~~ **c** of subsection ~~[(1)]~~ **5** of NRS ~~[354.606]~~ **354.598005**. Counties shall comply with chapter 150 of NRS for the transfer of dormant funds.

Sec. 2. This action does not negate consideration of a claim filed pursuant to chapter 11 of NRS.

NAC 354.360 Transfer of budget appropriations between accounts; transfer of money from certain funds. (NRS 354.594, ~~[360.090]~~ 354.598005)

Section 1. All the procedures authorized by NRS ~~[354.606]~~ **354.598005** for the transfer of budget appropriations between accounts must be completed before June 30 of the affected fiscal year.

Sec. 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.

BUDGET AUGMENTATION

~~[Governmental Funds]~~

NAC 354.400 (NRS 354.107, 354.594, 354.598005) Purpose. The purpose of NAC 354.400 to ~~[354.450]~~ **354.490**, inclusive, is to define available resources and to specify filing requirements for budget augmentation for governmental funds.

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

Section 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.

Sec. 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. ~~[within the limits of NRS 354.621.]~~

NAC 354.420 (NRS 354.107, 354.594, 354.598005) Revised revenue schedule. 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 of taxation.

NAC 354.430 (NRS 354.107, 354.594, 354.598005) Notice of hearing. The published notice required by NRS ~~[354.615]~~ 354.598005 must include the time and place of the hearing, the appropriations to be augmented and the nature of the unanticipated resources.

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

Section 1. A member of the governing body, anticipating his 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.

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

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

NAC 354.480 is hereby repealed.

Proprietary Funds

~~[NAC 354.480—Expenses in excess of original appropriation.—Expenses charged to an enterprise or internal service fund in excess of the original budget appropriation therefor are allowable in accordance with NRS 354.610 and 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.]~~

NAC 354.490 (NRS 354.107, 354.594, 354.6015) Augmented budget unnecessary. A local government need not file an augmented budget for an enterprise or internal service fund with the department of taxation but shall ~~[include]~~ **report** the budget augmentation in the next ~~[quarterly report]~~ **quarterly economic condition survey**.

NAC 354.500 and 354.510 are hereby repealed.

~~[NAC 354.500—Vote by proxy:~~

- ~~—1.—The department of taxation will accept a written proxy of a member of a governing body anticipating his absence on a date of formal action on a resolution authorizing augmentation of the budget of a proprietary fund 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 sent to the department of taxation with the record of the vote on the resolution.]~~

~~[NAC 354.510 Deadline. The augmentation procedure must be finalized before June 30 of the affected fiscal year.]~~

Chapter 354 of the NAC is hereby amended by adding thereto three new sections, to read as follows:

FISCAL REPORTS

NAC 354.XXX (NRS 354.107, 354.594, 354.6015) Filing; Report Forms; Exceptions; Deadlines.

Section 1. Each local government subject to the provisions of the Local Government Budget and Finance Act, NRS 354.470 to 354.626, inclusive, shall file a fiscal report electronically with the department.

Sec. 2. After July 1, 2002, each local government required to file a fiscal report shall utilize the electronic filing format provided by the department, and complete it according to the instructions provided by the department. In the event of a failure of the department's web site, the local government shall inform the department of the failure and transmit the report in a form determined by the department.

Sec. 3. Local governments fulfilling the requirements of filing the fiscal report shall not be required to separately file tentative and final budgets, except for the documents required by NAC 354.140 through NAC 354.155 which cannot be filed electronically.

Sec. 4. Local government entities generally having annual revenues less than \$50,000 and no current ability to file electronically may petition the committee to file reports in a media other than electronic media. The petition must state why the local government is unable to transmit electronically and what detrimental financial impact would occur if the local government were to obtain the equipment and access to the internet required to complete electronic filing.

a. The petition must be received by the department no later than January 1st of the current fiscal year.

b. The department shall deliver the petition along with its recommendations to the committee within 30 days of receiving the petition. The committee shall consider the petition at the next regularly scheduled meeting after receipt of the petition and recommendations of the department.

c. In the event the committee grants the petition, the local government shall transmit the report in a form determined by the department.

d. The committee may elect to consider the petitions of local governments having annual revenues greater than \$50,000 on a case-by-case basis, but are not required to do so.

Sec. 5. The following deadlines apply to each segment of the fiscal report:

a. Tentative and final budget information must be filed with the department no later than 5 p.m. on the dates indicated in NRS 354.596 and 354.598.

b. In the event a local government elects not to file a tentative budget pursuant to NAC 354.010, the local government shall file the final budget with the department no later than 5 p.m. April 15 of the current fiscal year.

c. Responses to surveys on current economic conditions must be filed with the department no later than 45 days after the end of each quarter of the fiscal year.

NAC 354.XXX (NRS 354.107, 354.594, 354.6015) Contents of fiscal reports.

Section 1. A fiscal report consists of the tentative and final budgets in an abbreviated format to be filed annually; and information relating to budget augmentations, if any, and a survey on the economic conditions affecting the local government to be filed quarterly.

Sec. 2. Information relating to tentative and final budgets must be compiled at the function level for the general fund, and each special revenue, capital project, debt service and proprietary fund. Revenues may be reported in major categories. Expenditure categories must include at a minimum salaries and wages; services; supplies, and capital outlay.

a. Local governments shall report any special revenue, capital project or debt service fund receiving property tax or consolidated tax distributions separately.

Sec. 3. Local governments shall also transmit audited actual prior year revenues, expenditures, and ending fund balances no later than January 1 each year. In the event the local government is exempt from filing an audit pursuant to NRS 354.475, the local government shall transmit the fiscal year end statement of revenues and expenditures and cash balance no later than January 1 each year.

a. A local government may request an extension for filing audited financial information from the department provided the request is made in writing and received by the department pursuant to the requirements of NAC 354.735, and the department finds good cause to allow the extension.

NAC 354.XXX (NRS 354.107, 354.594, 354.6015) Requirements for publication. By July 1 each year, each local government shall cause to be published in a newspaper of general circulation located within the relevant geographic area, a summary of the fiscal report. The published summary must contain at a minimum any general fund and proprietary fund as applicable. The summary must be in a form prescribed by the committee.

EXPENDITURE REPORTING FOR LOBBYING ACTIVITIES

NAC 354.XXX (NRS 354.107, 354.59803) Reporting requirements.

Section 1. Expenditures for salaries and wages shall be determined on the basis of the time actually spent influencing the passage or defeat of legislation.

Sec. 2. The report must be limited to the period of time the legislature is actually in session.

Sec. 3. The information must be submitted to the department on a form provided by the department.

NAC 354.650 through 354.790 are hereby amended to read as follows:

UNAPPROPRIATED ENDING FUND BALANCE

NAC 354.650 (NRS 354.107) Explanation by local government. ~~[A local government shall transmit to the Nevada tax commission with its final budget an explanation for any amount it has budgeted as an ending fund balance].~~

Section 1. In the event an ending fund balance in the general fund of a local government has been budgeted for less than 4 percent of the total actual prior year expenditures, the local government shall provide a written explanation to the department of taxation explaining the circumstances leading to the condition and its plan to correct this condition.

Sec. 2. If a debt service fund has an ending fund balance that exceeds the principal and interest of the fund for the year, the explanation must state the reason and any authority for the excess.

NAC 354.660 (NRS 354.107) Ending balance not subject to negotiations. A budgeted ending fund balance of not more than 8.3 percent of the total budgeted expenditures, less capital outlay, for a general or special revenue fund which receives revenue from ~~[ad valorem]~~ *property taxes* or the ~~[supplemental city county relief tax]~~ *distribution of the consolidated tax distribution account*, is not subject to negotiations with other local governments or employee organizations.

AUDITS

NAC 354.700 (NRS 354.107, 354.624) Audit required after first year of operation. 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.

NAC 354.705 is hereby repealed.

~~[NAC 354.705—Local government required to give department auditor's name and address. A local government shall, at least 2 months before the close of each fiscal year, give the department of taxation a written notice of the name and address of the auditor selected to audit its financial statements, as required by NRS 354.624.]~~

NAC 354.715 (NRS 354.107, 354.6241, 354.6245) Contents of audit report: Opinions required; fairness statement; reference to certain separate reports; statement of corrective action.

Section 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.

Sec. 2. If the auditor issues a report on internal accounting control required by generally accepted accounting standards, the report 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.

Sec. 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.

NAC 354.717 Contents of audit report: Statement of total number of referrals to certain facilities. (NRS 354.594, ~~360.090~~ 354.107)

Section 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.

Sec. 2. As used in this section, “regional facility for children” has the meaning ascribed to it in NRS 62.845.

NAC 354.721 (NRS 354.107, 354.594, 354.6245) Proposed plan of correction.

Section 1. Each proposed plan of correction submitted pursuant to NRS 354.6245 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.

Sec. 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 of taxation.

NAC 354.725 (NRS 354.107, 354.594, 354.6245) Filing in duplicate; notification of department.

Section 1. The audit report which NRS 354.624 requires to be filed with the department of taxation must be provided in duplicate at the time of filing.

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

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

Section 1. 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 of taxation the following information in support of its application:

- (a) Name of the local government;
- (b) Name of the auditor and firm, ~~if any~~;
- (c) Date the report will be filed with the governing board;
- (d) Date the report will be filed with the department of taxation;
- (e) 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) Name of the person making the application; and
- (g) Date of the application.

(h) Indicate when the audited financial information will be transmitted.

Sec. 2. In the case of a request to extend the time for filing the audit report for a school district, the request must be submitted to the department of taxation by October 31.

Sec. ~~2~~ 3. The person making the application must sign it.

INVENTORY

NAC 354.750 (NRS 354.107, 354.625) Inventory of fixed assets.

Section 1. Except as otherwise provided in subsection 2, the governing body of every local government shall take an inventory at least once every 2 years of all its equipment and other property which constitute fixed assets. The governing body shall adopt a plan for taking the inventory.

Sec. 2. The inventory need not include any item having a service life of 1 year or less or a value of \$3,000 or less.

Sec. 3. The governing board may adopt a capitalization policy with different limits.

Sec. 4. Each item of property subject to the inventory must be assigned an identifying number and be labeled as belonging to the local government.

MISCELLANEOUS PROVISIONS

NAC 354.755 (NRS 354.107, 354.59891) Application for exemption from limitation on increase of building permit basis. 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 of taxation:

Section 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.

Sec. 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.

Sec. 3. A completed form prescribed by the department which relates to the enterprise fund.

NAC 354.760 (NRS 354.107) General improvement districts: Transmission of documents after creation of district. After adopting an ordinance creating a general improvement district, the board of county commissioners, as ex officio board of trustees of the district, shall:

Section 1. Transmit a certified copy of the ordinance and the service plan required by chapter 308 of NRS to the department of taxation.

Sec. 2. Comply with the requirements of subsection 2 of NRS 318.080 in a manner consistent with the provisions of the Local Government Budget *and Finance* Act, NRS 354.470 to 354.626, inclusive, and chapter 354 of NAC.

NAC 354.770 (NRS 354.107) General improvement districts: Date of hearing on corrective action; submission of certified copy of ordinance, resolution.

Section 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 of taxation or the date of receipt of the petition.

Sec. 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 of taxation.

NAC 354.780 (NRS 354.107, 354.59874, 354.598743, 354.598747) Transfer of property, money, taxes, special assessments upon merger, consolidation of special district.

Section 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.

Sec. 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.

Sec. 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.

NAC 354.790 (NRS 354.107, 354.59874, 354.598743, 354.598747) Special districts: Transfer of property, money, taxes, special assessments upon dissolution of special district.

Section 1. Upon the dissolution 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 county general fund.

Sec. 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.

Sec. 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.