
SENATE BILL NO. 194—SENATORS RAWSON, AMODEI, JAMES, MCGINNESS,
O'DONNELL, PORTER AND TITUS

FEBRUARY 16, 1999

JOINT SPONSORS: ASSEMBLYMEN CEGAVSKE, GOLDWATER,
MANENDO AND TIFFANY

Referred to Committee on Government Affairs

SUMMARY—Authorizes local government to increase money transferred to fund to stabilize the operation of the local government and use money in fund to mitigate effects of natural disaster. (BDR 31-83)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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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 local financial administration; revising the provisions governing the authority to establish a fund to stabilize the operation of a local government to increase the amount of money that may be transferred to the fund and include mitigation of the effects of a natural disaster as an authorized use of the money in the fund; and providing other matters properly relating thereto.

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

- 1 **Section 1.** NRS 353.2755 is hereby amended to read as follows:
2 353.2755 1. A state agency or local government may submit a
3 request to the state board of examiners for a grant or loan from the fund as
4 provided in NRS 353.2705 to 353.2771, inclusive, if:
5 (a) The agency or local government finds that, because of a disaster, it is
6 unable to pay for an expense or grant match specified in NRS 353.274,
7 353.2745 or 353.2751 from money appropriated or otherwise available to
8 the agency or local government; and
9 (b) The request has been approved by the chief administrative officer of
10 the state agency or the governing body of the local government.

2. A request for a grant or loan submitted pursuant to subsection 1 must include:

(a) A statement setting forth the amount of money requested by the state agency or local government;

(b) An assessment of the need of the state agency or local government for the money requested; ~~and~~

(c) *If the request is submitted by a local government that has established a fund pursuant to NRS 354.6115 to mitigate the effects of a natural disaster, a statement of the amount of money that is available in that fund, if any, for the payment of expenses incurred by the local government as a result of a disaster; and*

(d) A determination of the type, value and amount of resources the state agency or local government may be required to provide as a condition for the receipt of a grant or loan from the fund.

3. Upon the receipt of a request for a grant or loan submitted pursuant to subsection 1, the state board of examiners:

(a) Shall consider the request; and

(b) May require any additional information that it determines is necessary to make a recommendation.

4. If the state board of examiners finds that a grant or loan is appropriate, it shall include in its recommendation to the interim finance committee the proposed amount of the grant or loan. If the state board of examiners recommends a loan for a local government, it shall include the information required pursuant to subsection 1 of NRS 353.2765. If the state board of examiners finds that a grant or loan is not appropriate, it shall include in its recommendation the reason for its determination.

5. The provisions of this section do not prohibit a state agency or local government from submitting more than one request for a grant or loan from the fund.

6. As used in this section, the term "natural disaster" has the meaning ascribed to it in NRS 354.6115.

Sec. 2. NRS 354.6115 is hereby amended to read as follows:

354.6115 1. The governing body of a local government may, by resolution, establish a fund to stabilize the operation of the local government ~~and~~ *and mitigate the effects of natural disasters.*

2. The money in the fund must be used only ~~for~~ :

(a) *If the total actual revenue of the local government falls short of the total anticipated revenue in the general fund for the fiscal year in which the local government uses that money ~~for~~ ; or*

(b) *To pay expenses incurred by the local government to mitigate the effects of a natural disaster.*

1 The money in the fund at the end of the fiscal year may not revert to any
2 other fund or be a surplus for any purpose other than ~~the~~ a purpose
3 specified in this subsection.

4 3. *The money in the fund may not be used to pay expenses incurred*
5 *to mitigate the effects of a natural disaster until the governing body of*
6 *the local government issues a formal declaration that a natural disaster*
7 *exists. The governing body shall not make such a declaration unless a*
8 *natural disaster is occurring or has occurred. Upon the issuance of such*
9 *a declaration, the money in the fund may be used for the payment of the*
10 *following expenses incurred by the local government as a result of the*
11 *natural disaster:*

12 (a) *The repair or replacement of roads, streets, bridges, water control*
13 *facilities, public buildings, public utilities, recreational facilities and*
14 *parks owned by the local government and damaged by the natural*
15 *disaster;*

16 (b) *Any emergency measures undertaken to save lives, protect public*
17 *health and safety or protect property within the jurisdiction of the local*
18 *government;*

19 (c) *The removal of debris from publicly or privately owned land and*
20 *waterways within the jurisdiction of the local government that was*
21 *undertaken because of the natural disaster;*

22 (d) *Expenses incurred by the local government for any overtime*
23 *worked by an employee of the local government because of the natural*
24 *disaster or any other extraordinary expenses incurred by the local*
25 *government because of the natural disaster; and*

26 (e) *The payment of any grant match the local government must*
27 *provide to obtain a grant from a federal disaster assistance agency for an*
28 *eligible project to repair damage caused by the natural disaster within the*
29 *jurisdiction of the local government.*

30 4. The balance in the fund must not exceed ~~10~~ 15 percent of the
31 expenditures from the general fund for the previous fiscal year, excluding
32 any federal funds expended by the local government.

33 5. *The annual budget and audit report of the local government*
34 *prepared pursuant to NRS 354.624 must specifically identify the fund*
35 *and:*

36 (a) *Indicate in detail the manner in which money in the fund was*
37 *expended during the previous fiscal year;*

38 (b) *Specify the amount of money, if any, that will be deposited in the*
39 *fund for the next fiscal year; and*

40 (c) *Identify any planned accumulation of the money in the fund.*
41 *The audit report must include a statement by the auditor whether the*
42 *local government has complied with the provisions of this subsection.*

1 **6. As used in this section:**

2 **(a) "Grant match" has the meaning ascribed to it in NRS 353.2725.**

3 **(b) "Natural disaster" means a fire, flood, earthquake, drought or any**
4 **other occurrence that:**

5 **(1) Results in widespread or severe damage to property or injury to**
6 **or the death of persons within the jurisdiction of the local government;**
7 **and**

8 **(2) As determined by the governing body of the local government,**
9 **requires immediate action to protect the health, safety and welfare of**
10 **persons residing within the jurisdiction of the local government.**

11 **Sec. 3.** NRS 354.6117 is hereby amended to read as follows:

12 354.6117 1. Except as otherwise provided in subsection 2, the total
13 amount of money which may be transferred in a fiscal year from the general
14 fund of a local government to the funds established pursuant to NRS
15 354.611, 354.6113 and 354.6115 must not exceed ~~40~~ 15 percent of the
16 total amount of the budgeted expenditures of the general fund, plus any
17 money transferred from the general fund, other than the money transferred
18 to those funds, for that fiscal year.

19 2. Any money that a local government, pursuant to NRS 354.6116,
20 deposits in or transfers to one or more of the funds established by the local
21 government pursuant to NRS 354.611, 354.6113 or 354.6115:

22 (a) Is not subject to the limitation on the amount of money that a local
23 government may transfer to those funds pursuant to subsection 1.

24 (b) Must not be included in the determination of the total amount of
25 money transferred to those funds for the purposes of the limitation set forth
26 in subsection 1.

27 **Sec. 4.** This act becomes effective on July 1, 1999.