

SENATE BILL NO. 48—COMMITTEE ON GOVERNMENT AFFAIRS

PREFILED JANUARY 27, 1999

(ON BEHALF OF LEGISLATIVE COMMITTEE ON EDUCATION)

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing funds to stabilize operation of local government.
(BDR 31-864)

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 ~~for omitted material~~ is material to be omitted.

AN ACT relating to local governments; authorizing an increase in the funds to stabilize the operation of local government for certain school districts; excluding certain money from the limit on transfers from the general fund to the fund to stabilize the operation of local government; 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 354.6115 is hereby amended to read as follows:
2 354.6115 1. The governing body of a local government may, by
3 resolution, establish a fund to stabilize the operation of the local
4 government.
5 2. The money in the fund must be used only if the total actual revenue
6 of the local government falls short of the total anticipated revenue in the
7 general fund for the fiscal year in which the local government uses that
8 money. The money in the fund at the end of the fiscal year may not revert to
9 any other fund or be a surplus for any purpose other than the purpose
10 specified in this subsection.
11 3. ~~The~~ ***Except as otherwise provided in subsection 4, the*** balance in
12 the fund must not exceed 10 percent of the expenditures from the general
13 fund for the previous fiscal year, excluding any federal ~~funds~~ ***money***
14 expended by the local government.

1 **4. If the board of trustees of a school district in a county whose**
2 **population is less than 100,000 has established such a fund, the balance**
3 **in the fund must not exceed 30 percent of the expenditures from the**
4 **general fund for the previous fiscal year, excluding any federal money**
5 **expended by the local government, or \$2,000,000, whichever is less. In no**
6 **case may the balance in the fund be increased annually by an amount**
7 **that exceeds 10 percent of the expenditures from the general fund for the**
8 **previous fiscal year, excluding any federal money expended by the local**
9 **government.**

10 **Sec. 2.** NRS 354.6117 is hereby amended to read as follows:

11 354.6117 1. Except as otherwise provided in ~~subsection 2,~~
12 **subsections 2 and 3,** the total amount of money which may be transferred in
13 a fiscal year from the general fund of a local government to the funds
14 established pursuant to NRS 354.611, 354.6113 and 354.6115 must not
15 exceed 10 percent of the total amount of the budgeted expenditures of the
16 general fund, plus any money transferred from the general fund, other than
17 the money transferred to those funds, for that fiscal year.

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

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

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

26 **3. Any money that the board of trustees of a school district, pursuant**
27 **to subsection 4 of NRS 354.6115, deposits in or transfers to the fund**
28 **established by the board of trustees pursuant to NRS 354.6115:**

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

31 **(b) Must not be included in the determination of the total amount of**
32 **money transferred to those funds for the purposes of the limitation set**
33 **forth in subsection 1.**

34 **Sec. 3.** Section 2 of Senate Bill No. 194 of this session is hereby
35 amended to read as follows:

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

37 354.6115 1. The governing body of a local government may,
38 by resolution, establish a fund to stabilize the operation of the local
39 government ~~and~~ **and mitigate the effects of natural disasters.**

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

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

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

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

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

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

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

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

25 ***(d) Expenses incurred by the local government for any***
26 ***overtime worked by an employee of the local government because***
27 ***of the natural disaster or any other extraordinary expenses***
28 ***incurred by the local government because of the natural disaster;***
29 ***and***

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

34 4. Except as otherwise provided in subsection ~~4.~~ 5, the
35 balance in the fund must not exceed 10 percent of the expenditures
36 from the general fund for the previous fiscal year, excluding any
37 federal funds expended by the local government.

38 ~~4.~~ 5. If the board of trustees of a school district in a county
39 whose population is less than 100,000 has established such a fund,
40 the balance in the fund must not exceed 30 percent of the
41 expenditures from the general fund for the previous fiscal year,
42 excluding any federal money expended by the local government, or
43 \$2,000,000, whichever is less. In no case may the balance in the

1 fund be increased annually by an amount that exceeds 10 percent of
2 the expenditures from the general fund for the previous fiscal year,
3 excluding any federal money expended by the local government.

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

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

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

11 (c) **Identify any planned accumulation of the money in the**
12 **fund.**

13 **The audit report must include a statement by the auditor whether**
14 **the local government has complied with the provisions of this**
15 **subsection.**

16 **7. As used in this section:**

17 (a) **"Grant match" has the meaning ascribed to it in NRS**
18 **353.2725.**

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

21 (1) **Results in widespread or severe damage to property or**
22 **injury to or the death of persons within the jurisdiction of the**
23 **local government; and**

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

28 **Sec. 4.** Section 3 of Senate Bill No. 194 of this session is hereby
29 repealed.

30 **Sec. 5.** This act becomes effective upon passage and approval.