

CHAPTER.....

AN ACT relating to local government finance; requiring a local government that desires to loan money from one fund to another fund or to another local government to make certain determinations at a public hearing; and providing other matters properly relating thereto.

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

Section 1. Chapter 354 of NRS is hereby amended by adding thereto a new section to read as follows:

Before making an interfund loan or loaning money to another local government, the governing body of the local government that wishes to make the loan must:

- 1. Determine at a public hearing that:*
 - (a) A sufficient amount of money is available for the loan and that money is not restricted as to its use; and*
 - (b) The loan of the money will not compromise the economic viability of the fund from which the money is loaned; and*
- 2. Establish at the public hearing conducted pursuant to subsection 1:*
 - (a) The amount of time the money will be on loan from the fund;*
 - (b) The terms and conditions for repaying the loan; and*
 - (c) The rate of interest, if any, to be charged for the loan.*

Sec. 2. NRS 354.476 is hereby amended to read as follows:

354.476 As used in NRS 354.470 to 354.626, inclusive, *and section 1 of this act*, unless the context otherwise requires, the words and terms defined in NRS 354.478 to 354.580, inclusive, have the meanings ascribed to them in those sections.

Sec. 3. This act becomes effective on July 1, 2001.