EXEMPT

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FIRST REPRINT **A.B. 313**

ASSEMBLY BILL NO. 313–ASSEMBLYMEN ANDERSON, GIUNCHIGLIANI, BUCKLEY, OCEGUERA, CONKLIN AND PERKINS

MARCH 21, 2005

Referred to Committee on Ways and Means

SUMMARY—Makes various changes relating to expenditures required by disasters or financial emergencies. (BDR 31-1145)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: 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 state financial administration; creating a revolving account for loans to repair owner-occupied homes damaged by natural disasters; renaming the Fund to Stabilize the Operation of the State Government as the Rainy Day Fund; revising the standards and procedures for expenditure of 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:

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

1. The Division shall establish a revolving account within the Rainy Day Fund created by NRS 353.288 for loans to persons who own and occupy homes damaged by a disaster.

2. Upon declaration by the Governor of a disaster, the Chief of the Division may request approval of the Interim Finance Committee to transfer money from the Disaster Relief Account to the revolving account. The Interim Finance Committee shall not approve a transfer of money to the revolving account that would result in a balance in the revolving account that is more than 25 percent of the balance of the Disaster Relief Account.

3. The Division shall use money in the revolving account to make loans at or below market rate to persons who own and occupy homes that are damaged by a disaster. The Division shall by regulation establish standards for eligibility for loans and requirements for repayment of the loans. All payments on loans made from the revolving account must be deposited in the revolving account.

Sec. 2. NRS 353.2705 is hereby amended to read as follows:

353.2705 As used in NRS 353.2705 to 353.2771, inclusive, ***and section 1 of this act,*** unless the context otherwise requires, the words and terms defined in NRS 353.2707 to 353.2731, inclusive, have the meanings ascribed to them in those sections.

Sec. 3. NRS 353.271 is hereby amended to read as follows:

353.271 "Disaster" means a fire, flood, earthquake, ***extreme snowfall,*** drought, explosion, civil disturbance, crisis involving violence on school property, at a school activity or on a school bus, or any other occurrence or threatened occurrence that, regardless of cause:

1. Results in, or may result in, widespread or severe damage to property or injury to or the death of persons in this State; and

2. As determined by:

(a) The Governor; or

(b) The governing body of a local government pursuant to NRS 414.090 and the Division pursuant to NRS 353.2753,

➥ requires immediate action to protect the health, safety and welfare of the residents of this State.

Sec. 4. NRS 353.2735 is hereby amended to read as follows:

353.2735 1. The Disaster Relief Account is hereby created as a special account in the ***Rainy Day*** Fund ***.*** ~~[to Stabilize the Operation of the State Government.]~~ The Interim Finance Committee shall administer the Account.

2. The Division may accept grants, gifts or donations for deposit in the Account. Except as otherwise provided in subsection 3, money received from:

(a) A direct legislative appropriation to the Account;

(b) A transfer of not more than 10 percent of the aggregate balance in the ***Rainy Day*** Fund ~~[to Stabilize the Operation of the State Government]~~ made pursuant to NRS 353.288; and

(c) A grant, gift or donation to the Account,

➥ must be deposited in the Account. Except as otherwise provided in NRS 414.135, the interest and income earned on the money in the Account must, after deducting any applicable charges, be credited to the Account.

3. If, at the end of each quarter of a fiscal year, the balance in the Account exceeds 0.75 percent of the total amount of all

appropriations from the State General Fund for the operation of all departments, institutions and agencies of State Government and authorized expenditures from the State General Fund for the regulation of gaming for that fiscal year, the State Controller shall not, until the balance in the Account is 0.75 percent or less of that amount, transfer any money in the ***Rainy Day*** Fund ~~[to Stabilize the Operation of the State Government]~~ from the State General Fund to the Account pursuant to the provisions of NRS 353.288.

4. Money in the Account may be distributed through grants and loans to state agencies and local governments as provided in NRS 353.2705 to 353.2771, inclusive ~~[.]~~ ***, and section 1 of this act.*** Except as otherwise provided in NRS 353.276, such grants will be disbursed on the basis of reimbursement of costs authorized pursuant to NRS 353.274 and 353.2745.

5. If the Governor declares a disaster, the State Board of Examiners shall estimate:

(a) The money in the Account that is available for grants and loans for the disaster pursuant to the provisions of NRS 353.2705 to 353.2771, inclusive ~~[;]~~ ***, and section 1 of this act;*** and

(b) The anticipated amount of those grants and loans for the disaster.

➥ Except as otherwise provided in this subsection, if the anticipated amount determined pursuant to paragraph (b) exceeds the available money in the Account for such grants and loans, all grants and loans from the Account for the disaster must be reduced in the same proportion that the anticipated amount of the grants and loans exceeds the money in the Account that is available for grants and loans for the disaster. If the reduction of a grant or loan from the Account would result in a reduction in the amount of money that may be received by a state agency or local government from the Federal Government, the reduction in the grant or loan must not be made.

Sec. 5. NRS 353.288 is hereby amended to read as follows:

353.288 1. The ***Rainy Day*** Fund ~~[to Stabilize the Operation of the State Government]~~ is hereby created as a special revenue fund. Except as otherwise provided in subsections 2 and 3, each year after the close of the fiscal year and before the issuance of the State Controller's annual report, the State Controller shall deposit to the credit of the Fund 40 percent of the unrestricted balance of the State General Fund, as of the close of the fiscal year, which remains after subtracting an amount equal to ~~[5]~~ ***10*** percent of all appropriations made from the State General Fund during that year for the operation of all departments, institutions and agencies of State Government and for the funding of schools.

2. The balance in the Fund must not exceed 15 percent of the total of all appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State Government and for the funding of schools and authorized expenditures from the State General Fund for the regulation of gaming for the fiscal year in which that revenue will be deposited in the Fund.

3. Except as otherwise provided in this subsection and NRS 353.2735, beginning with the fiscal year that begins on July 1, 2003, the State Controller shall, at the end of each quarter of a fiscal year, transfer from the State General Fund to the Disaster Relief Account created ~~[pursuant to]~~ ***by*** NRS 353.2735 an amount equal to not more than 10 percent of the aggregate balance in the ***Rainy Day*** Fund ~~[to Stabilize the Operation of the State Government]~~ during the previous quarter. The State Controller shall not transfer more than $500,000 for any quarter pursuant to this subsection.

4. Money from the ***Rainy Day*** Fund ~~[to Stabilize the Operation of the State Government may be]~~ ***is hereby contingently*** appropriated ***to the Interim Finance Committee and may be allocated for expenditure*** only:

(a) If the total actual revenue of the State falls short by 5 percent or more of the total anticipated revenue for the biennium in which the appropriation is made; or

(b) If the Legislature ***, if it is in session, or the Interim Finance Committee, if the Legislature is not in session,*** and the Governor declare that a fiscal emergency exists.

➥ The Interim Finance Committee may, upon recommendation of the State Board of Examiners, approve an allocation of money in the Rainy Day Fund to restore the balance of any fund, respond to emergencies, offset reductions in budgets caused by decreases in federal expenditures or increase budgets in response to unfunded mandates in federal law or policy.

Sec. 6. This act becomes effective on July 1, 2005.