

SENATE BILL NO. 463—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE STATE TREASURER)

MARCH 29, 2005

Referred to Committee on Government Affairs

SUMMARY—Makes various changes concerning use of revenues from disposition of unclaimed property. (BDR 30-578)

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 finance; authorizing the State Board of Finance to issue certain securities and to pledge the revenue from the sale of unclaimed property for their payment; providing for the disposition of the net proceeds from the sale of such securities; requiring the State Treasurer to transfer annually to the Millennium Scholarship Trust Fund certain revenue from the sale of unclaimed property; 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 349 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this act.

Sec. 2. *As used in sections 2 to 7, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3, 4 and 5 of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Board” means the State Board of Finance.*

Sec. 4. *“Unclaimed property pledged revenues” means unclaimed property revenues that have been pledged wholly or in*



1 *part for the payment of bonds or other securities issued pursuant*
2 *to section 6 of this act.*

3 **Sec. 5.** *“Unclaimed property revenues” means the proceeds*
4 *from the disposal of unclaimed property pursuant to chapter 120A*
5 *of NRS.*

6 **Sec. 6. 1.** *The Board may:*

7 *(a) Issue, as special obligations of the State, revenue bonds or*
8 *other revenue securities payable from unclaimed property*
9 *revenues; and*

10 *(b) Pledge unclaimed property revenues to the payment of*
11 *such bonds and securities.*

12 **2.** *The Board shall not issue a revenue bond or other revenue*
13 *security pursuant to this section, except a security issued solely for*
14 *the purpose of refunding an outstanding security, unless the State*
15 *Treasurer certifies that the balance of the Abandoned Property*
16 *Trust Fund created by NRS 120A.370, determined as of the end of*
17 *the immediately preceding fiscal year, but before any transfers to*
18 *the Unclaimed Property Pledged Revenues Fund created by*
19 *section 7 of this act or State General Fund, is not less than 125*
20 *percent of the amount that would be needed to make the combined*
21 *maximum principal and interest payments in any subsequent*
22 *fiscal year for:*

23 *(a) All outstanding securities issued pursuant to this section;*
24 *and*

25 *(b) The securities proposed to be issued pursuant to this*
26 *section in the current fiscal year,*

27 *↳ but excluding any reserves therefor. The State Treasurer’s*
28 *certification is conclusive as to any matter certified by him.*

29 **3.** *The Board shall deposit the net proceeds from the sale of*
30 *any securities issued pursuant to this section, other than proceeds*
31 *from the sale of funding or refunding securities, into the Research*
32 *and Development Fund, which is hereby created in the State*
33 *Treasury. As used in this subsection, “net proceeds” means the*
34 *proceeds from the sale of any securities issued pursuant to this*
35 *section remaining after making any required deposits into any*
36 *reserve or other fund or account created pursuant to the*
37 *resolution or other instrument authorizing the issuance of the*
38 *securities, and after the payment of all costs of issuing such*
39 *securities.*

40 **4.** *The Board shall administer the Research and Development*
41 *Fund for the purpose of assisting, through loans or grants, to pay*
42 *the costs of:*

43 *(a) Programs of research and development conducted by a*
44 *facility or branch of the University and Community College*
45 *System of Nevada that the Board determines have the potential to*



1 contribute to the economic development of this State, including,
2 without limitation, programs intended to attract scientists to this
3 State to engage in research and development with such potential.

4 (b) Research laboratories and related equipment located or to
5 be located in this State for the use of a facility or branch of the
6 University and Community College System of Nevada.

7 5. The Board may adopt regulations relating to the Research
8 and Development Fund. The regulations may provide for, without
9 limitation:

10 (a) The administration of the Fund; and

11 (b) The creation and operation of one or more corporations
12 formed for educational or charitable purposes.

13 6. Any revenue earned by the Board from any infrastructure
14 or improvement paid for with money from the Research and
15 Development Fund, or from any loan or grant of money from the
16 Fund, and any interest earned on money in the Fund must be
17 credited to the Fund.

18 7. All claims against the Research and Development Fund
19 must be paid as other claims against the State are paid.

20 8. Provisions of the State Securities Law which are not
21 inconsistent with the provisions of sections 2 to 7, inclusive, of this
22 act apply to any bond or other security issued pursuant to this
23 section.

24 **Sec. 7. 1. There is hereby created in the State Treasury a**
25 **special revenue fund designated the Unclaimed Property Pledged**
26 **Revenues Fund.**

27 2. The Board shall administer the Fund.

28 3. The Board shall apply the money in the Fund to:

29 (a) The payment, when due, of the principal of, interest on or
30 any other amounts payable on securities issued pursuant to
31 section 6 of this act.

32 (b) The funding of any reserve created pursuant to a
33 resolution or other instrument authorizing the issuance of
34 securities pursuant to section 6 of this act at the times and in the
35 manner provided in such instrument.

36 (c) The funding of any other fund or account, or the payment
37 of any other cost, required to be funded or paid pursuant to the
38 resolution or other instrument authorizing the issuance of
39 securities pursuant to section 6 of this act, or any other instrument
40 supplemental thereto.

41 4. All interest and income earned on the money in the Fund
42 must, after deducting any applicable charges, be credited to the
43 Fund. All claims against the Fund must be paid as other claims
44 against the State are paid.



1 **5. At the end of a fiscal year, after the Board has satisfied all**
2 **obligations set forth in subsection 3 for that fiscal year, but before**
3 **the State Treasurer makes the transfer required by NRS 120A.370,**
4 **the State Treasurer shall transfer the remaining balance, if any,**
5 **of the money in the Unclaimed Property Pledged Revenues Fund**
6 **to the State General Fund.**

7 **Sec. 8.** NRS 120A.370 is hereby amended to read as follows:

8 120A.370 1. There is hereby created in the State Treasury the
9 Abandoned Property Trust Fund.

10 2. All money received by the Administrator under this chapter,
11 including the proceeds from the sale of abandoned property, must be
12 deposited by the Administrator in the State Treasury for credit to the
13 Abandoned Property Trust Fund.

14 3. Before making a deposit, the Administrator shall record
15 the name and last known address of each person appearing from the
16 holders' reports to be entitled to the abandoned property and ~~to~~ the
17 name and last known address of each insured person or annuitant,
18 and with respect to each policy or contract listed in the report of an
19 insurance company, its number, the name of the company and the
20 amount due. The record must be available for public inspection at
21 all reasonable business hours.

22 4. The Administrator may pay from money available in the
23 Abandoned Property Trust Fund:

24 (a) Any costs in connection with the sale of abandoned property.

25 (b) Any costs of mailing and publication in connection with any
26 abandoned property.

27 (c) Reasonable service charges.

28 (d) Any costs incurred in examining the records of a holder and
29 in collecting the abandoned property.

30 (e) Any valid claims filed pursuant to this chapter.

31 5. At the end of each fiscal year, the amount of the balance in
32 the **Abandoned Property Trust** Fund in excess of \$100,500 must be
33 transferred **as follows:**

34 **(a) First, to the Millennium Scholarship Trust Fund created**
35 **by NRS 396.926, the sum of \$8,000,000;**

36 **(b) Second, to the Unclaimed Property Pledged Revenues**
37 **Fund created by section 7 of this act, an amount that in the**
38 **opinion of the Administrator is sufficient to make all payments**
39 **and deposits in connection with any bonds or other securities**
40 **issued by the State Board of Finance pursuant to section 6 of this**
41 **act for the immediately following fiscal year; and**

42 **(c) Third, to the State General Fund, ~~but~~ the remainder, if**
43 **any, of the balance in excess of \$100,500.**

44 **↪ Any money transferred to the State General Fund pursuant to**
45 **this section or section 7 of this act** remains subject to the valid



1 claims of holders pursuant to NRS 120A.340 or owners pursuant to
2 NRS 120A.380 ~~H~~, *but no such claim may be satisfied from money*
3 *in the Millennium Scholarship Trust Fund or Unclaimed Property*
4 *Pledged Revenues Fund.*

5 6. If there is an insufficient amount of money in the
6 Abandoned Property Trust Fund to pay any cost or charge pursuant
7 to subsection 4, the State Board of Examiners may, upon the
8 application of the Administrator, authorize a temporary transfer
9 from the State General Fund to the Abandoned Property Trust Fund
10 of an amount necessary to pay those costs or charges. The
11 Administrator shall repay the amount of the transfer as soon as
12 sufficient money is available in the Abandoned Property Trust Fund.

13 **Sec. 9.** 1. The State Treasurer shall, not later than June 30,
14 2005, and before he makes the transfers required pursuant to NRS
15 120A.370, as amended by section 8 of this act, transfer from the
16 Abandoned Property Trust Fund created by NRS 120A.370:

17 (a) To the Millennium Scholarship Trust Fund created by NRS
18 396.926, the sum of \$8,000,000;

19 (b) To the Unclaimed Property Pledged Revenues Fund created
20 by section 7 of this act, the sum of \$4,000,000; and

21 (c) To the State General Fund, the remaining balance in excess
22 of \$100,500.

23 2. The State Board of Finance shall not issue securities
24 pursuant to section 6 of this act before July 1, 2006, in an amount
25 that requires more money to be applied pursuant to section 7 of this
26 act in the fiscal year that ends June 30, 2006, than the amount of
27 money that is transferred to the Unclaimed Property Pledged
28 Revenues Fund pursuant to subsection 1.

29 **Sec. 10.** This act becomes effective upon passage and
30 approval.



