

SENATE BILL NO. 464—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE STATE TREASURER)

MARCH 29, 2005

Referred to Committee on Government Affairs

SUMMARY—Revises certain provisions relating to state financial administration. (BDR 31-580)

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; revising certain provisions relating to oversight by the State Treasurer of certain depositories; abolishing the Account for Travel Advances; transferring certain duties relating to travel advances from the State Treasurer to the State Controller; revising various provisions relating to the issuance and interest rate of certain securities; revising the authority of certain agents in regard to certain securities; 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 356.330 is hereby amended to read as follows:
2 356.330 **1.** “Public money” means *all* money deposited with
3 a depository by ~~[the State or a local government.]~~ :
4 **(a) The State Treasurer; or**
5 **(b) A custodian with plenary authority to control money**
6 *belonging to, or held for the benefit of, the State or any of its*
7 *political subdivisions, public corporations, municipal*
8 *corporations, agencies, courts, boards, commissions or*
9 *committees.*
10 **2.** *The term includes money held by a public administrator*
11 *acting as a trustee, agent or bailee.*



1 **3. The term does not include money deposited with a**
2 **depository by:**

3 **(a) A Native American tribe or an agent or representative**
4 **thereof;**

5 **(b) The Federal Government or an agent or representative**
6 **thereof; or**

7 **(c) The Public Employees' Retirement System or an agent or**
8 **representative thereof.**

9 **Sec. 2.** NRS 356.360 is hereby amended to read as follows:

10 356.360 1. The program established pursuant to NRS
11 356.350 must provide that:

12 (a) Each depository is required to maintain as collateral
13 acceptable securities having a fair market value that is at least 102
14 percent of the amount of the uninsured balances of the public money
15 held by the depository;

16 (b) A depository may satisfy the requirement set forth in
17 paragraph (a) by arranging for a third-party depository to hold
18 securities on behalf of the depository for the benefit of the State
19 Treasurer ~~§~~ **pursuant to NRS 356.300 to 356.390, inclusive;**

20 (c) No depository may, at any one time, hold public money in an
21 amount exceeding the total equity of the depository, as reflected on
22 the financial statement of the depository;

23 (d) Each depository is required to submit to the State Treasurer,
24 in the form and manner prescribed by the State Treasurer, the
25 following reports:

26 (1) A daily report of the total amount of public money held
27 by the depository;

28 (2) A weekly summary report of the total fair market value of
29 securities held by a third-party depository on behalf of the
30 depository ~~§~~ **, if the State Treasurer is unable to obtain such**
31 **information by alternative means;**

32 (3) A monthly report setting forth a list of acceptable
33 securities, including, without limitation, the fair market value of
34 those securities, held by the depository or held by any third-party
35 depository on behalf of the depository; and

36 (4) A current annual report containing the financial statement
37 of the depository; and

38 (e) The State Treasurer may impose an administrative fine not to
39 exceed:

40 (1) One hundred dollars per day against a depository that
41 fails to submit in a timely manner a report described in paragraph
42 (d); and

43 (2) Two hundred fifty dollars per day against a depository
44 that fails to maintain collateral as described in paragraph (a).



2. As used in this section, "acceptable securities" means the securities described in:

(a) Subsection 1 of NRS 356.020; and

(b) Subsection 1 of NRS 356.133.

Sec. 3. NRS 281.172 is hereby amended to read as follows:

281.172 1. Any state officer or employee may apply for advance money for authorized travel expenses and subsistence allowances arising out of his official duties or employment in the amounts as provided for in NRS 281.160 by filing a request with the administrative head of the state office, department or agency by which he is employed.

2. If the administrative head or his designee approves the request, he shall process a voucher for a cash advance for travel in the approved amount in the same manner as other claims against the State are processed.

3. Unless otherwise approved by the Budget Division of the Department of Administration before the travel occurs, all cash advances for travel issued by the administrative head or his designee must be charged to the budget account to which money was appropriated or authorized for expenditure for the travel.

4. If the administrative head or his designee cannot process a cash advance for travel because of a temporary budget restriction, the administrative head or his designee may forward a copy of the request and approval to the State ~~[Treasurer.]~~ **Controller.**

5. Upon receiving a copy of the request and approval from the administrative head or his designee, the State ~~[Treasurer or one of his officers or employees whom he has designated for the purpose may issue a check or warrant drawn upon the Account for Travel Advances for the amount of the advance requested.]~~ **Controller may issue a check drawn upon the State Treasurer's main bank account.**

Sec. 4. NRS 281.173 is hereby amended to read as follows:

281.173 A cash advance for travel, when approved by the administrative head or his designee or the State ~~[Treasurer,]~~ **Controller**, constitutes a lien in favor of the State of Nevada upon the accrued wages of the requesting officer or employee in an amount equal to the sum advanced, but the administrative head or his designee or the State ~~[Treasurer]~~ **Controller** may, in his discretion, advance more than the amount of the accrued wages of the officer or employee.

Sec. 5. NRS 281.174 is hereby amended to read as follows:

281.174 1. Upon the return of the officer or employee, he is entitled to receive any authorized expenses and subsistence allowances in excess of the amount advanced, and a sum equal to



1 the advance must be paid into the account from which the advance
2 was made.

3 2. If an advance is not repaid, the administrative head or his
4 designee or the State ~~[Treasurer]~~ *Controller* may file a claim with
5 the State Board of Examiners for money to replenish the account
6 from which the advance was made. If the State Board approves the
7 claim it must be paid from the Reserve for Statutory Contingency
8 Account.

9 3. If an officer or employee of an agency terminates his
10 employment after he receives ~~[a payment from the Account for~~
11 ~~Travel Advances]~~ *an advance for travel* but before repayment ~~[to~~
12 ~~the Account.] of the advance~~, the State ~~[Treasurer]~~ *Controller* may
13 collect from the agency the amount advanced.

14 **Sec. 6.** NRS 281.1745 is hereby amended to read as follows:

15 281.1745 When an officer or employee receives a cash
16 advance for travel from the State ~~[Treasurer]~~ *Controller* or uses a
17 charge card issued at the request of the State for cash advances or
18 travel expenses, or both, and the receipt of his travel reimbursement
19 may be delayed more than 5 working days after the date of
20 the initial submission of the travel reimbursement claim, the
21 administrative head or his designee shall immediately issue to the
22 officer or employee, for payment to the State ~~[Treasurer]~~ *Controller*
23 or the issuer of the charge card issued at the request of the State, a
24 cash advance as described in NRS 281.172 in the amount of the cash
25 advance made by the State ~~[Treasurer]~~ *Controller* or the total travel
26 expenses charged on the charge card, whichever is applicable.

27 **Sec. 7.** NRS 281.175 is hereby amended to read as follows:

28 281.175 The State ~~[Treasurer]~~ *Controller* may make
29 reasonable rules and regulations to carry out the provisions of NRS
30 ~~[281.171]~~ *281.172* to 281.175, inclusive.

31 **Sec. 8.** NRS 349.227 is hereby amended to read as follows:

32 349.227 1. ~~[The]~~ *In the case of securities bearing interest at*
33 *a variable rate, or in the case of securities with a term of 270 days*
34 *or less, the* act or resolution authorizing the issuance of any state
35 securities or any trust indenture or other instrument appertaining
36 thereto may fix a rate or rates of interest or provide for the
37 determination of the rate or rates from time to time by a designated
38 agent according to the procedure specified in that resolution or other
39 instrument. The rate so determined must approximate the rates then
40 being paid for other securities which contain similar provisions and
41 have an equivalent rating. The Commission may contract with or
42 select any person to make that determination ~~[]~~, *and shall specify*
43 *parameters for the interest rate if it is fixed by such an agent.*

44 2. The Commission may enter into an agreement with a third
45 party for an assurance of payment of the principal of, the interest on,



1 or premiums, if any, due in connection with any state securities
2 issued by the Commission. The obligation of the Commission to
3 reimburse that third party for any advances made pursuant to that
4 agreement may be provided in that agreement, recited in those
5 securities or evidenced by another instrument as designated in the
6 act or resolution authorizing the issuance of those securities or any
7 other instrument appertaining thereto. The Commission may assign
8 its rights under that agreement.

9 **Sec. 9.** NRS 349.303 is hereby amended to read as follows:

10 349.303 1. The Commission may, before any sale of ~~{bonds;}~~
11 *securities*, delegate to the treasurer or his designee , *or an agent in*
12 *the case of securities described in subsection 1 of NRS 349.227,*
13 the authority to sign a contract for the purchase of the ~~{bonds}~~
14 *securities* or to accept a binding bid for the ~~{bonds}~~ *securities*
15 subject to the requirements specified by the Commission
16 concerning:

17 (a) The rate of interest on the ~~{bonds;}~~ *securities;*

18 (b) The dates on which and the prices at which the ~~{bonds}~~
19 *securities* may be called for redemption before maturity;

20 (c) The price at which the ~~{bonds}~~ *securities* will be sold; and

21 (d) The principal amount of the ~~{bonds}~~ *securities* and the
22 amount of principal maturing in any particular year.

23 2. All terms of the ~~{bonds}~~ *securities* other than:

24 (a) The rate of interest;

25 (b) The dates and prices for the redemption of the ~~{bonds;}~~
26 *securities;*

27 (c) The price for the sale of the ~~{bonds;}~~ *securities;*

28 (d) The principal amount of the ~~{bonds;}~~ *securities;* and

29 (e) The requirements for the principal maturing in particular
30 years,

31 ➡ must be approved by the Commission before the ~~{bonds}~~
32 *securities* are delivered.

33 3. The final rate of interest, dates and prices of redemption,
34 price for the sale of the ~~{bonds;}~~ *securities*, principal amount and the
35 requirements for the principal amount maturing in particular years
36 are not required to be approved by the Commission if each of those
37 terms complies with the requirements specified by the Commission
38 before the contract for the purchase of the ~~{bonds}~~ *securities* is
39 signed or the bid for the ~~{bonds}~~ *securities* is accepted.

40 **Sec. 10.** NRS 350.165 is hereby amended to read as follows:

41 350.165 1. The governing body of a municipality may,
42 before any sale of bonds, whether by competitive bid or negotiated
43 sale, delegate to the chief administrative officer or chief financial
44 officer of the municipality , *or an agent in the case of securities*
45 *described in subsection 1 of NRS 350.583,* the authority to sign a



1 contract for the purchase of the bonds or to accept a binding bid for
2 the bonds subject to the requirements specified by the governing
3 body concerning:

- 4 (a) The rate of interest on the bonds;
- 5 (b) The dates on which and the prices at which the bonds may
6 be called for redemption before maturity;
- 7 (c) The price at which the bonds will be sold; and
- 8 (d) The principal amount of the bonds and the amount of
9 principal maturing in any particular year.

10 2. All terms of the bonds other than:

- 11 (a) The rate of interest;
- 12 (b) The dates and prices for the redemption of the bonds;
- 13 (c) The price for the sale of the bonds;
- 14 (d) The principal amount of the bonds; and
- 15 (e) The requirements for the principal maturing in particular
16 years,

17 must be approved by the governing body of the municipality
18 before the bonds are delivered.

19 3. The final rate of interest, dates and prices of redemption,
20 price for the sale of the bonds, principal amount and the
21 requirements for the principal amount maturing in particular years
22 are not required to be approved by the governing body of the
23 municipality if each of those terms complies with the requirements
24 specified by the governing body before the contract for the purchase
25 of the bonds is signed or the bid for the bonds is accepted.

26 **Sec. 11.** NRS 350.583 is hereby amended to read as follows:

27 350.583 1. ~~[The]~~ *In the case of securities bearing interest at*
28 *a variable rate, or in the case of securities with a term of 270 days*
29 *or less which are issued by a municipality whose population is*
30 *50,000 or more, the* ordinance or resolution authorizing the issuance
31 of any municipal securities or any trust indenture or other
32 instrument appertaining thereto may fix a rate or rates of interest or
33 provide for the determination of the rate or rates from time to time
34 by a designated agent according to the procedure specified in that
35 ordinance or other instrument. The rate so determined must
36 approximate the rates then being paid for other securities which
37 contain similar provisions and have an equivalent rating. A
38 governing body of a municipality may contract with or select any
39 person to make that determination ~~[H]~~, *and shall specify parameters*
40 *for the interest rate if it is fixed by such an agent.*

41 2. A governing body of a municipality may enter into an
42 agreement with a third party for an assurance of payment of the
43 principal of, the interest on, or premiums, if any, due in connection
44 with any municipal securities issued by the governing body. The
45 obligation of the governing body to reimburse that third party for



1 any advances made pursuant to that agreement may be provided in
2 that agreement, recited in those securities or evidenced by another
3 instrument as designated in the ordinance or resolution authorizing
4 the issuance of those securities or any other instrument appertaining
5 thereto. The governing body may assign its rights under that
6 agreement.

7 **Sec. 12.** NRS 350A.152 is hereby amended to read as follows:

8 350A.152 1. Before state securities may be issued pursuant to
9 this chapter for the purpose of acquiring bonds which are issued by
10 a water authority organized as a political subdivision created by
11 cooperative agreement that operates in all or a portion of a county
12 whose population is 400,000 or more:

13 (a) ~~The~~ *Except for refunding bonds, the* water authority must
14 obtain approval for the bonds from the debt management
15 commission of each county in which any member of the water
16 authority that is obligated to make payments on the bonds of the
17 water authority is located; and

18 (b) The members of the water authority must contract with the
19 water authority to make payments from the revenues of the
20 members' water systems that, in the aggregate, are fully sufficient to
21 pay those bonds as they become due. If the water revenues of any
22 such member are insufficient to pay that member's share of the
23 amount due on the bonds, the member shall pay the deficiency out
24 of money available for that purpose in the general fund of the
25 member. If the money in the general fund of the member is
26 insufficient to pay fully any such deficiency promptly, the member
27 shall levy a general ad valorem tax on all taxable property within the
28 member's boundaries at a rate necessary to produce revenue in an
29 amount sufficient to pay that member's share of the payments due
30 on the bonds.

31 2. Notwithstanding the provisions of paragraph (a) of
32 subsection 1, the obligations of the members of the water authority
33 to the water authority and the State of Nevada as a result of the
34 acquisition of bonds of the water authority pursuant to this chapter
35 do not constitute indebtedness of the members within the meaning
36 of any constitutional, charter or statutory limitation or other
37 provisions restricting the incurrence of any debt.

38 3. A property tax levied pursuant to this section:

39 (a) Shall be considered to have been levied for the payment of
40 bonded indebtedness for the purposes of NRS 361.463.

41 (b) Is exempt from the limitations on property taxes contained in
42 chapter 354 of NRS.

43 **Sec. 13.** NRS 396.8455 is hereby amended to read as follows:

44 396.8455 1. The Board may, before any sale of securities,
45 whether by competitive bid or negotiated sale, delegate to the



1 Chancellor of the University or the Vice Chancellor for Finance of
2 the University , *or an agent in the case of securities described in*
3 *subsection 1 of NRS 396.8495*, the authority to sign a contract for
4 the purchase of the securities or to accept a binding bid for the
5 securities subject to the requirements specified by the Board
6 concerning:

- 7 (a) The rate of interest on the securities;
- 8 (b) The dates on which and the prices at which the securities
9 may be called for redemption before maturity;
- 10 (c) The price at which the securities will be sold; and
- 11 (d) The principal amount of the securities and the amount of
12 principal maturing in any particular year.

13 2. All terms of the securities other than:

- 14 (a) The rate of interest;
- 15 (b) The dates and prices for the redemption of the securities;
- 16 (c) The price for the sale of the securities;
- 17 (d) The principal amount of the securities; and
- 18 (e) The requirements for the principal maturing in particular
19 years,

20 ➡ must be approved by the Board before the securities are
21 delivered.

22 3. The final rate of interest, dates and prices of redemption,
23 price for the sale of the securities, principal amount and the
24 requirements for the principal amount maturing in particular years
25 are not required to be approved by the Board if each of those terms
26 complies with the requirements specified by the Board before the
27 contract for the purchase of the securities is signed or the bid for the
28 securities is accepted.

29 **Sec. 14.** NRS 396.8495 is hereby amended to read as follows:

30 396.8495 1. ~~[The]~~ *In the case of securities bearing interest*
31 *at a variable rate, or in the case of securities with a term of 270*
32 *days or less, the* resolution authorizing the issuance of any securities
33 or any trust indenture or other instrument appertaining thereto may
34 fix a rate or rates of interest or provide for the determination of the
35 rate or rates from time to time by a designated agent according to
36 the procedure specified in that resolution or other instrument. The
37 rate so determined must approximate the rates then being paid for
38 other securities which contain similar provisions and have an
39 equivalent rating. The Board may contract with or select any person
40 to make that determination ~~[]~~, *and shall specify parameters for the*
41 *interest rate if it is fixed by such an agent.*

42 2. The Board may enter into an agreement with a third party for
43 an assurance of payment of the principal of, the interest on, or
44 premiums, if any, due in connection with any securities issued by
45 the Board. The obligation of the Board to reimburse that third party



1 for any advances made pursuant to that agreement may be provided
2 in that agreement, recited in those securities or evidenced by another
3 instrument as designated in the resolution authorizing the issuance
4 of those securities or any other instrument appertaining thereto. The
5 Board may assign its rights under that agreement.

6 3. In fixing the rate or rates of interest for securities pursuant to
7 subsection 1 or the rate or rates of interest imposed on the Board for
8 reimbursement of any advances made under an agreement pursuant
9 to subsection 2, the Board is not subject to any limitations on rates
10 of interest provided by statute, including, without limitation, NRS
11 396.852. The resolution fixing that rate or rates of interest must
12 contain the findings of the Board that the procedure specified
13 therein for determining that rate or rates is reasonable under existing
14 or anticipated conditions in the market and is necessary and
15 advisable for marketing the securities. These findings are
16 conclusive. This section does not prohibit the Board from fixing a
17 maximum rate of interest.

18 **Sec. 15.** NRS 281.171 and 356.320 are hereby repealed.

19 **Sec. 16.** Any balance remaining in the Account for Travel
20 Advances created by NRS 281.171 that has not been committed for
21 expenditure on or before the effective date of this act must be
22 reverted to the State General Fund on the effective date of this act.

23 **Sec. 17.** This act becomes effective upon passage and
24 approval.

TEXT OF REPEALED SECTIONS

281.171 Account for Travel Advances: Creation; use; duties of State Treasurer.

1. The Account for Travel Advances is hereby created. Money in the Account must be used by the State Treasurer to provide advance money to state officers and employees for travel expenses and subsistence allowances.

2. The State Treasurer shall deposit the money in the Account in a bank or credit union qualified to receive deposits of public money, and the deposit must be secured by collateral satisfactory to the State Board of Examiners.

3. The State Treasurer or any of his officers or employees whom he has designated for this purpose may sign all checks and warrants drawn upon the Account.



356.320 “Local government” defined. “Local government” has the meaning ascribed to it in NRS 354.474.



