
ASSEMBLY BILL NO. 16—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE STATE CONTROLLER)

PREFILED JANUARY 26, 2007

Referred to Committee on Government Affairs

SUMMARY—Revises the authority of the State Board of Examiners concerning bad debts. (BDR 31-82)

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; authorizing the State Board of Examiners to delegate to its Clerk the authority to designate certain debts owed to the State as bad debts; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law authorizes the State Board of Examiners, at the request of a state
2 agency, to designate a debt owed to the State as a bad debt if the agency has
3 determined that the debt is impossible or impractical to collect. Existing law also
4 provides that the Board may delegate this authority to its Clerk for a debt that is
5 \$50 or less, but only if the debt represents an overpayment of salary to a current or
6 former state employee. (NRS 353C.220)
7 This bill authorizes the State Board of Examiners to delegate to its Clerk the
8 authority to designate as a bad debt any debt owed to the State that is \$50 or less.
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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 353C.220 is hereby amended to read as
2 follows:
3 353C.220 1. If an agency determines that it is impossible or
4 impractical to collect a debt, the agency may request the State Board



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1 of Examiners to designate the debt as a bad debt. The State Board of
2 Examiners, by an affirmative vote of the majority of the members of
3 the Board, may designate the debt as a bad debt if the Board is
4 satisfied that the collection of the debt is impossible or impractical.
5 ~~[The]~~ *If the debt is not more than \$50, the* State Board of
6 Examiners may delegate to its Clerk the authority to designate ~~an~~
7 ~~overpayment of salary to a current or former state employee of not~~
8 ~~more than \$50]~~ *the debt* as a bad debt. An agency that is aggrieved
9 by a denial of a request to designate ~~[such an overpayment]~~ *the debt*
10 as a bad debt by the Clerk may appeal that denial to the State Board
11 of Examiners.

12 2. Upon the designation of a debt as a bad debt pursuant to this
13 section, the State Board of Examiners or its Clerk shall immediately
14 notify the State Controller thereof. Upon receiving the notification,
15 the State Controller shall direct the removal of the debt from the
16 books of account of the State of Nevada. A bad debt that is removed
17 pursuant to this section remains a legal and binding obligation owed
18 by the debtor to the State of Nevada.

19 3. If resources are available, the State Controller shall keep a
20 master file of all debts that are designated as bad debts pursuant to
21 this section. If such a file is established and maintained, for each
22 such debt, the State Controller shall record the name of the debtor,
23 the amount of the debt, the date on which the debt was incurred and
24 the date on which it was removed from the records and books of
25 account of the agency or the State of Nevada, and any other
26 information concerning the debt that the State Controller determines
27 is necessary.

28 **Sec. 2.** This act becomes effective on July 1, 2007.

